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Vol. XV

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1936

No. 539

THE OHIO BELL TELEPHONE COMPANY,
APPELLANT,

vs.

THE PUBLIC UTILITIES COMMISSION OF OHIO

APPEAL FROM THE SUPREME COURT OF THE STATE OF OHIO

FILED NOVEMBER 20, 1936.

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. 13762] The Ohio Bell Telephone Company

Columbus, Ohio, August 12, 1933.

No. 3307.

he matter of the investigation and inquiry of The Pub-c Utilities Commission of Ohio, upon its own motion, for ne determination (a) of the fair value of the property f The Ohio Bell Telephone Company, toll and exchange, b) of the just and reasonable rates and (c) of reasonable ules and regulations for services furnished by said Com-any to its patrons throughout the State of Ohio

the Honorable the Public Utilities Commission of Ohio, Columbus, Ohio.

NTLEMEN:

s you know the above case, involving all of the rates of e Ohio Bell Telephone Company for its services in the te of Ohio, was inaugurated by the Commission in 1924, largely to the accumulation under the so-called Robin- Law and Pence Law of many separate rate cases, all which, together with subsequent rate cases, are now con-idated with the company-wide case. At the first hearing the company-wide case the Commission determined not proceed further with the separate cases, and since that e the case has proceeded on the company-wide bases not-hstanding the company has reserved its right to offer dence and be heard, if necessary, in the separate Robin- and Pence Law cases.

lthough in no sense believing such separate cases to be essary and although anxious to avoid the long delay ch the hearing of such cases would entail, The Ohio Bell ephone Company nevertheless hereby offers to submit dence of its property value, revenues and expenses for period under investigation for all of the Robinson and nce Law cases, separately.

Very truly yours, The Ohio Bell Telephone Company, by Karl E. Burr, Its Attorney.

[fol. 13763] The Public Utilities Commission of Ohio

Columbus, Ohio, August 21, 193

No. 3307

In the matter of the investigation and inquiry of The P lic Utilities Commission of Ohio, upon its own motion, the determination (a) of the fair value of the prop of The Ohio Bell Telephone Company, toll and excha (b) of the just and reasonable rates and (c) of reaso rules and regulations for services furnished by said C pany to its patrons throughout the State of Ohio

Karl E. Burr, Esq., General Counsel, The Ohio Bell Te phone Company, 33 North High Street, Columbus, O

Dear Sir:

The Commission acknowledges receipt of your lette August 12th, containing the offer of The Ohio Bell Te phone Company to submit evidence of its property val revenues and expenses for the period under investiga for all of the Robinson Law and Pence Law Cases se rately.

Your letter and this letter are hereby made a part of t record in this case and will be given consideration in c nection with the study of the evidence which we are m making.

Very truly yours, The Public Utilities Commiss of Ohio, by E. J. Hopple, Its Chairman.

EJH:RC.

[fol. 13764] The Ohio Bell Telephone Company

Columbus, Ohio, December 22, 193

In the matter of the investigation and inquiry of The P lic Utilities Commission of Ohio, upon its own motion, the determination (a) of the fair value of the prop of The Ohio Bell Telephone Company, toll and excha (b) of the just and reasonable rates and (c) of reaso rules and regulations for services furnished by said C pany to its patrons throughout the State of Ohio

To The Public Utilities Commission of Ohio, Colum Ohio.

Gentlemen:

On August 12, 1933 The Ohio Bell Telephone Comp addressed a letter to you calling attention to the sepa

nson Law and Pence Law cases which the Commission
ctober, 1924, consolidated with the above entitled case,
rally known as the company-wide case; also, to the fact
at that time the Commission decided not to proceed
her with those separate cases. In the letter The Ohio
Telephone Company referred to the reservation made
time to time of its right to offer evidence and be heard
e separate cases, and offered to submit to the Commis-
evidence of its property value, revenues and expenses
he period under investigation for all of the Robinson
Pence law cases separately.

reply, the Commission stated that the letter of The
Bell Telephone Company would be given considera-
in connection with the study of the evidence in the
pany-wide case which the Commission was then making.
he Ohio Bell Telephone Company now renews its offer
e referred to, insists upon its right to submit the evi-
ce so offered and requests that the Commission set a
on which the introduction of the evidence may be com-
ced.

Very truly yours, The Ohio Bell Telephone Company, by Karl E. Burr, Its Attorney.

egistered.
eturn Receipt Requested.

13765] The Public Utilities Commission of Ohio

Columbus, Ohio, December 28, 1933.

he matter of the investigation and inquiry of The Pub-
c Utilities Commission of Ohio, upon its own motion,
r the determination (a) of the fair value of the prop-
ty of the Ohio Bell Telephone Company, toll and ex-
ange, (b) of the just and reasonable rates and (c) of
asonable rules and regulations for services furnished
said company to its patrons throughout the State of
hio.

Karl Burr, Gen. Counsel, The Ohio Bell Telephone Co.,
irst National Bank Building, Columbus, Ohio.

R MR. BURR:

Ve are in receipt of your letter of December 22nd, re-
ing the offer by The Ohio Bell Telephone Company

made in its letter of August 12, 1933, insisting upo
right to submit certain evidence in the above proceed
You are advised said request will receive the consi
tion of the Commission.

Yours very truly, The Public Utilities Commi
of Ohio, C. H. Knisley, Secretary.

DSA:RC.

[fol. 13766] The Public Utilities Commission of Ohio

Columbus, Ohio

March 23, 193

Mr. Karl E. Burr, Attorney at Law, Columbus, Ohio.

By Dear Mr. Burr:

On looking over the exhibits in the Bell Telephone C
we find from the Brett Exhibit No. 1 for the years 192
1930 and from the Eide Exhibit Nos. 3 and 4 for the
1931 and the first ten months of 1932 a statement of
expenses for the several years in question allocated to
terstate and intrastate.

We do not, however, find any exhibit in which these
penses in the gross amount reported have been broken d
for convenient examination. We know that this would
a considerable task, and, therefore, do not ask you to
it for all these years, but would ask you for a reason
breakdown of the expenses, both for the interstate and
trastate, for the year 1925. After the examination of
break-down, we will inform you whether we wish fur
break-down as to that year and as to the other years
question.

If we have overlooked any such exhibit, would you k
advise us where these figures may be found. Of co
there have been so many exhibits that we might have o
looked the exhibit covering that point.

We assume that the revenues are correctly exhibited f
your books and need no break-down at this time.

Very truly yours, The Public Utilities Commi
of Ohio, Frank W. Geiger, Commissioner.

13767] The Ohio Bell Telephone Company

Columbus, Ohio.

April 3, 1933.

Company Wide Case No. 3307

Honorable Frank W. Geiger, Commissioner, The Pub-
Utilities, Commission of Ohio, Columbus, Ohio.

ear Judge Geiger:

sponsive to your request of recent date, I enclose two
ments, as follows:

List of Exhibits already admitted in evidence, showing
hone operating expenses by years.

Detail of telephone operating expenses shown in Brett
No. 1, lines 5, 6, 7 and 8 for the year ending December
925, in total and separated as between intrastate and
rstate expenses.

n the assumption that these statements should be con-
red as a part of the evidence in the case, I suggest that
be marked Eide Supplementary Exhibit No. 1, sheets
d 2.

ppreciating your consideration in asking for the break-
n for one year only, and trusting that these enclosures
meet your requirements, I am,

Very truly yours, Karl E. Burr, General Counsel.

(Here follow 3 photos, side folios 13768-13770.)

EXHIBIT A-66

I. P. U. C. No. 1

TARIFF AND ROUTE BOOK

This Book Cancels and Supersedes (S. P. U. C. I. No. 1) Tariff and Route Book of January 1, 1914 and Supplements Thereto

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American Telephone & Telegraph Company

LIST OF TELEPHONE OFFICES
IN THE STATE OF ILLINOIS ONLY

ALWAYS CONSULT THE
SUPPLEMENT FIRST

READ THE EXPLANATORY STATEMENT
IT IS IMPORTANT

ISSUED JULY 2, 1917

EFFECTIVE AUGUST 1, 1917

ISSUED BY
AMERICAN TELEPHONE AND TELEGRAPH COMPANY
BY H. S. BROOKS, GENERAL COMMERCIAL SUPERINTENDENT
LONG DISTANCE LINES DEPARTMENT
195 BROADWAY, NEW YORK, N. Y.

13768

8740A

EXPLANATORY STATEMENT

1. This Tariff and Route Book, together with the Rate Sheets described below and all Supplements as issued, constitutes the American Telephone and Telegraph Company's tariff for telephone toll service in the State of Illinois.

The service covered by this tariff consists in furnishing for the use of patrons facilities, other than exchange facilities, intended for use in telephonic communication between the points listed. The exchange facilities used in connection with this service are the facilities required to establish connection between an exchange station and the toll board, or between an exchange station and the toll trunks, when such trunks are employed to effect connection with the toll board, and the use of such facilities is covered by the charges for exchange service.

TARIFF AND ROUTE BOOK

2. This Tariff and Route Book, together with its Supplements, contains the names of all points on the lines of the American Telephone and Telegraph Company, its Associated Companies and their connecting companies in the State of Illinois.

3. **CLASSIFICATION OF POINTS.** Points listed in the Tariff and Route Book are classified as Check Direct, Check and Other Line.

Check Direct: A Check Direct point is a point for which specific rates and routes are given. Check Direct points are printed in heavy-faced type. For example:

Square	Sect.		Route Block
708	63	**CHICAGO 4** Route Class 1	628

Check: A Check point is a point which takes the same rates and routes as some Check Direct point, unless otherwise specified. A Check point is printed in light-faced type and is followed by the abbreviation "Ck." and the name of its Check Direct point. For example:

Square	Sect.	
732	71	Barclay ck Springfield

Other Line: An Other Line point is a point on the lines of the Associated Companies or their connecting companies whose rates are the sum of a uniform rate (known as an Other Line rate) and the A. T. & T. rates of a designated connecting point. An Other Line point takes the same routes as the designated connecting point, unless otherwise specified. Other Line poitns are printed in light-faced type and are followed by the Other Line rate and the name of the connecting point. For example:

Square	Sect.	
(713	62)	Gifford 10-3 Rantoul

4. **SQUARE AND SECTION NUMBERS.** Square and Section numbers are given to Check Direct points for convenience in quoting rates and appear opposite their names in the columns headed "Square" and "Section." Check points are given the same Square and Section numbers as their Check Direct points. The Square and Section numbers which appear in parentheses opposite the name of each Other Line point are the Square and Section numbers of its connecting point and should be used in determining the rate to that point, to which rate the Other Line rate is added.

For the purposes of this tariff Square numbers only are used, and the Section numbers should be disregarded in all cases.

5. **ROUTE BLOCK AND TOLL CHARGE CLAIM NUMBERS.** The numbers which appear under the heading "Route Block" and those which follow the word "Route" refer only to the routing and have no connection with the determination of rates.

The numbers printed in heavy-faced type immediately following the names of the Check Direct points are used for accounting purposes and have no connection with the determination of rates.

6. **SUPPLEMENTS.** Supplements to the Tariff and Route Book will be issued from time to time, as may be necessary, giving all changes and additions. Each Supplement supersedes all previous Supplements. **ALWAYS CONSULT THE LATEST SUPPLEMENT BEFORE CONSULTING THE TARIFF AND ROUTE BOOK.**

RATE SHEETS

7. A Rate Sheet is provided for each Check Direct point. The rates on this sheet also apply to its Check points except when special rates are shown for such points.

13769

87401

The Rate Sheet shows, in the columns headed "Square" on the pages of Square Rates the Square numbers of all points in the State of Illinois. Opposite these Square numbers, under the heading "Rates," appears the rate for an initial period of service specified and for each additional minute or fraction thereof.

Any exception rates to these Square rates are shown under the heading "Special Rates," in the Rate Sheets.

TO ASCERTAIN A RATE

8. **"This Line" Rates:** Find in the latest Supplement or, if not found there, in the Tariff and Route Book the Square number of the point to which the rate is wanted, then refer to the Rate Sheets. If on the Rate Sheet a rate is shown opposite the Square number of the point to which the rate is desired, it is the correct rate to use.

9. In those cases where an exception rate is in effect, it is indicated on the Rate Sheet by the notation "See note," opposite the Square number. In such cases the exception rate, which is the correct rate to use, will be found under the heading "Special Rates" in the Rate Sheet.

10. Certain points are listed in the Tariff and Route Book with the notation, "Certain Subscribers Connected with ————————." The correct rate to use in such cases is the rate of the point with which the subscriber is connected. For example:

Square	Sect.	
752	71	Nilwood ck Springfield Suburban *Certain subscribers connected with Carlinville*

This means that if the subscriber is found to be connected to Carlinville, the rate to Carlinville should be used.

11. **Rates to "Other Line" Points.** The rate to or from an "Other Line" point is the sum of two separate rates, that is, the rate to or from the connecting point, plus the "Other Line" rate.

"Other Line" Rate: The "Other Line" rate, together with the name of the connecting point, is shown immediately following the name of the "Other Line" station in the Tariff and Route Book. The "Other Line" rate shown is for an initial period of three minutes and for each additional minute, unless otherwise indicated by a figure enclosed in parentheses immediately following the rate.

"Connecting Point" Rate: The rate to the connecting point, to which rate the "Other Line" rate is to be added, should be determined in the manner described in paragraphs 7 to 10, inclusive.

12. In computing the charges on a connection to or from an "Other Line" station for a conversation longer than the specified initial period, the charges should be figured separately for the rate to the connecting point and for the "Other Line" rate before adding the two together to obtain the through rate.

13. **Multi-Terminal Service:** If service is furnished by connecting-simultaneously more than one telephone station located at either the originating or terminating exchange, the charge will be at the rates given in the Rate Sheets for service between the two exchanges so connected, plus 25 per cent thereof for each telephone station in excess of one so connected.

14. **MESSENGER CHARGES.** The charge for messenger service shall be the amount actually disbursed, and shall be made against the telephone from which the request for service is received, or the charge may be made "collect" if guaranteed by the calling party and accepted by the called party.

Exception: Where the instructions at an office differ from the preceding, such instructions shall apply.

8740C

13771] EXTRACTS FROM EXHIBIT A-67

is exhibit consists of certain certified portions of tariffs ll telephone companies throughout the United States ining the following:

) Toll schedule of the Bell Telephone Company of sylvania described as "P.S.C.-Pa.-Toll No. 1A, Sec- 1, Fifth Revised Sheet 2, Canceling Fourth Revised t 2" issued and filed with the Public Service Commis- of the Commonwealth of Pennsylvania, effective Sep- er 1, 1929. It contained the following provision:

This tariff covers toll service, which consists in furnish- facilities, other than exchange facilities, for use in tele- e communication between different local service areas. exchange facilities in connection with toll service are facilities required to establish connection between an ange station and the toll board, or between an exchange ion and the toll trunks when such trunks are employed ffect connection with the toll board, and such exchange lities are covered by the charges for exchange service."

2) Toll schedule of the Bell Telephone Company of nsylvania, The Delaware and Atlantic Telegraph and phone Company and The Diamond State Telephone pany, known and described as "P.S.C.-Pa. Del.-No. 1A, tion 1, Second Revised Sheet 2, Canceling First Revised et 2" filed with the Public Service Commission of the mmonwealth of Pennsylvania, effective October 1, 1926, taining the following provision:

This tariff covers toll service, which consists in furnish- facilities, other than exchange facilities, for use in tele- ne communication between different local service areas. exchange facilities in connection with toll service are facilities required to establish connection between an ange station and the toll board, or between an exchange ion and the toll trunks when such trunks are employed ffect connection with the toll board, and such exchange lities are covered by the charges for exchange service."

3) Toll schedule of The Chesapeake & Potomac Tele- ne Company of Baltimore City, described as "P.S.C.- -Toll No. 1, Fourth Revision of Sheet 1, Cancelling . 13771a] Third Revision of Sheet 1," filed with the

Public Service Commission of the State of Maryland
fective March 1, 1931, containing the following provi

"Toll rates cover compensation for all service, addi
to any exchange service required, rendered in conne
with any message or order for communication subject
toll charge in accordance with the toll tariffs. Toll
include no compensation for the use of exchange facili

(4) Part of toll schedule of The Chesapeake & Pot
Telephone Company of Baltimore City known and desc
as "First Revision of P.S.C.-Md.-Toll No. 1, Canc
Original P.S.C.-Md.-Toll No. 1, Sheet 1," filed with
Public Service Commission of Maryland, effective Apr
1925, containing the following provision:

"Toll rates cover compensation for all service, addit
to any exchange service required, rendered in conne
with any message or order for communication subje
a toll charge in accordance with the toll tariffs. Toll
include no compensation for the use of exchange facili

(5) Part of the toll schedule of The Chesapeake & P
mac Telephone Company of Virginia described as "S.C
Va.-Toll No. 1, Fourth Revision of Sheet 1, Cancelling T
Revision of Sheet 1," filed with the State Corporation C
mission of the Commonwealth of Virginia, effective Au
1, 1931, containing the following provision:

"Toll rates cover compensation for all service,
tional to any exchange service required, rendered in
nection with any message or order for communication
ject to a toll charge in accordance with the toll tar
Toll rates include no compensation for the use of exch
facilities."

(6) Part of the toll rate schedule of The Chesapeak
Potomac Telephone Company of Virginia described
"Second Revision of S.C.C.-Va.-Toll No. 1, Cancelling F
Revision of S.C.C.-Va.-Toll No. 1, Sheet," filed with
State Corporation Commission of the Commonwealth
Virginia in compliance with an order of that Commi
dated July 31, 1926, in Case No. 2557, with modifica
and changes to April 1, 1927, containing the following
vision:

oll rates cover compensation for all service, addi-
to any exchange service required, rendered in con-
[3772] nection with any message or order for com-
cation subject to a toll charge in accordance with the
riffs. Toll rates include no compensation for the use
change facilities."

Part of the general exchange tariff of The Chesa-
& Potomac Telephone Company of Virginia de-
d as "S. C. C.-Va.-No. 1, section 31," filed with the
Corporation Commission of the Commonwealth of
nia, effective August 1, 1926, containing the following
sions:

Exchange Service.—The privilege of communication,
éans of facilities connected with telephone central of-
offered and made available under the provisions of
xchange tariffs; including the privilege of initiating
receiving toll messages subject to the toll tariffs.

. . . . . .

. Toll Service.—All service, additional to any exchange
ce required, rendered in connection with any message
der for communication subject to a toll charge in ac-
ance with the toll tariffs."

) Part of the toll schedule of the Chesapeake & Poto-
Telephone Company of West Virginia described as
cond Revision of P. S. C.-W. Va.-Toll No. 1, Cancelling
t Revision of P. S. C.-W. Va.-Toll No. 1, Sheet 1," filed
the Public Service Commission of West Virginia, effec-
October 1, 1926, containing the following provision:

Toll rates cover compensation for all service, additional
ny exchange service required, rendered in connection
any message or order for communication subject to a
charge in accordance with the toll tariffs. Toll rates
de no compensation for the use of exchange facilities."

) Part of the toll tariff of the Michigan Bell Telephone
pany described as "Revised Sheet 1 (Cancelling Origi-
Sheet)," filed with the Michigan Public Utilities Com-
ion, effective October 1, 1926, containing the following
ision:

"This tariff covers toll service, which consists in fur
ing facilities, other than exchange facilities, for use in
[fol. 13772a] phone communication between different
service areas. The exchange facilities in connection
toll service are the facilities required to establish co
tion between an exchange station and the toll boar
between an exchange station and the toll trunks
such trunks are employed to effect connection with th
board, and such exchange facilities are covered by
charges for exchange service."

(10) Part of the toll tariff of the Northwestern Bell
phone Company filed with the Railroad and Ware
Commission of the State of Minnesota, effective Janu
1930, and still in effect, containing the following provi

"The toll service covered by this tariff consists in
establishment of telephone communication between di
ent local service areas and the provision of the serivi-e
facilities other than exchange services and facilities, n
sary therefor. The exchange services and facilities in
nection with toll service are those required to establish
nection between an exchange station and the toll boar
between an exchange station and the toll trunks when
trunks are employed to effect connection with the toll b
and such exchange services and facilities are covered by
charges for exchange service."

(11) Part of the toll tariff of the Northwestern Bell
phone Company filed with the Railroad and Ware
Commission of the State of Minnesota, effective Augu
1926, containing the following provision:

"The toll service covered by this tariff consists in
establishment of telephone communication between di
ent local service areas and the provision of the service
facilities other than exchange services and facilities, n
sary therefor. The exchange services and facilities in
nection with toll service are those required to esta
connection between an exchange station and the toll b
or between an exchange station and the toll trunks
such trunks are employed to effect connection with th
board, and such exchange services and facilities are co
by the charges for exchange service."

(12) Part of the rules of the Northwestern Bell
phone Company filed with the Nebraska State Ra

mission on May 12, 1926, and approved by said Com-
13773] mission on June 12, 1926, containing the follow-
provision.

The toll service covered by this tariff consists in the
blishment of telephone communication between dif-
nt local service areas and the provision of the services
facilities other than exchange services and facilities,
ssary therefor. The exchange services and facilities
nnection with toll services are those required to estab-
connection between an exchange station and the toll
d, or between an exchange station and the toll trunks
n such trunks are employed to effect connection with
toll board, and such exchange services and facilities
covered by the charges for exchange service."

3) Part of the general rules of the Northwestern Bell
phone Company filed with the North Dakota Board of
road Commissioners, effective June 1, 1926, containing
following provision:

The toll service covered by this tariff consists in the
blishment of telephone communication between differ-
local service areas and the provision of the services and
ities other than exchange services and facilities, neces-
therefor. The exchange services and facilities in con-
ion with toll service are those required to establish con-
ion between an exchange station and the toll board, or
ween an exchange station and the toll trunks when such
ks are employed to effect connection with the toll board,
such exchange services and facilities are covered by
charges for exchange service."

4) Part of the rules of the Northwestern Bell Tele-
ne Company filed with the Board of Railroad Commis-
ers of the State of South Dakota on September 7, 1925,
nitted to become effective by order of said Commission
f June 1, 1926, containing the following provision:

The Toll Service covered by this tariff consists in the
blishment of telephone communication between differ-
local service areas and the provision of the services and
ities other than exchange services and facilities, neces-
therefor. The exchange services and facilities in con-
ion with toll service are those required to establish con-
ion between an exchange station and the toll board, or

[fol. 13773a] between an exchange station and t
trunks when such trunks are employed to effect com
with the toll Board, and such exchange services and
ties are covered by the charges for exchange service."

(15) Part of a tariff of the Pacific Telephone and
graph Company described as "Original Sheet No.
W. D. P. W. No. 5," filed with the Department of P
Works of the State of Washington, effective April 1,
containing the following provision:

"Interexchange service is telephone service from o
station or exchange to another toll station or excha

(16) Rule No. 87 of the Louisiana Public Service C
mission as it has been in effect since January 1, 191
follows:

"Long distance toll rates from exchanges shall com
from the long distance toll board, and shall be the sam
all subscribers, to the exchange with which they are
nected, regardless of the distance from the subscriber's
phone to the exchange with which he is connected."

(17) Order No. 247 of the Railroad Commissio
Louisiana dated November 20, 1902:

Order No. 247

Cumberland Telephone and Telegraph Company

Ex Parte

Upon the application of the Cumberland Telephone
Telegraph Company, through its Attorney H. C. Cage,
following rule is adopted as Rule No. 29-A, Revised R
and Regulations, Railroad Commission of Louisiana,
plicable to all telephone companies in Louisiana:

Rules

Long distance toll rates from exchanges shall com
from the long distance toll board, and shall be the s
for all subscribers to the exchange with which they are
nected, regardless of the distance from the subscri
the exchange.

By order of the Commission.

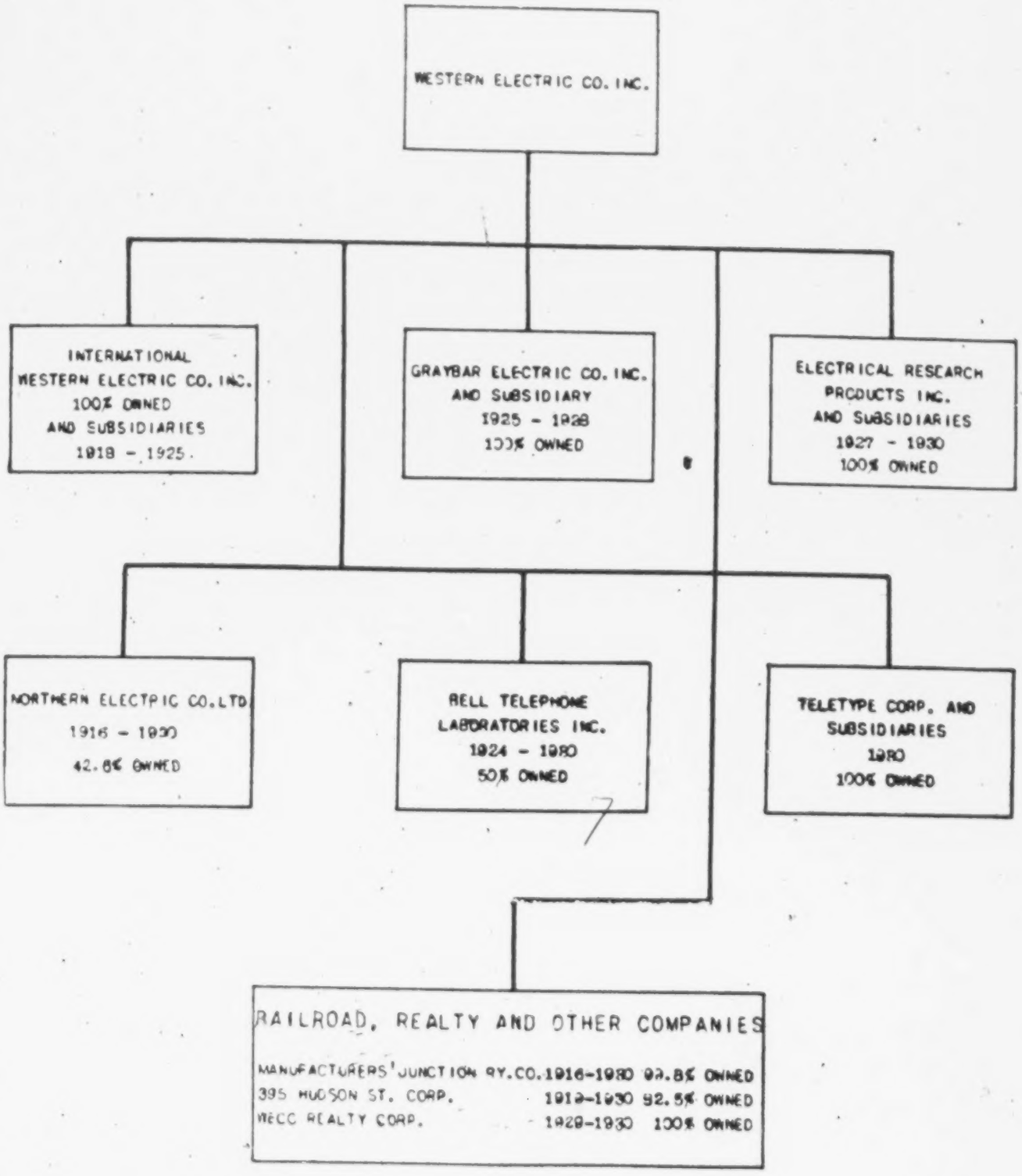
Baton Rouge, Louisiana, November 20, 1902.

(Here follows 1 photo, Exhibit A-75, side folio 1

PRINCIPAL SUBSIDIARIES OF WESTERN ELECTRIC CO.

PRINCIPAL SUBSIDIARIES OF WESTERN ELECTRIC CO. INC.

1916 - 1930



13774

281A

87460A

f Classes of Devices Which Are Marketed by the Electrical Research Products, Inc.

onograph Recording Apparatus.

lking Motion Picture Equipment (Theatrical and Non-Theatrical).

1. Recording Apparatus.
2. Reproducing Apparatus.
3. Testing Apparatus.

blic Address Apparatus for Theatres.

lectric Phonographs for Theatres.

lectric Phonographs for Broadcasting Stations.

mplifiers for Submarine Telegraph Cables.

erminal Apparatus for Multiplex Telegraphy on Submarine Cables.

esting Apparatus for Submarine Cables.

icture Transmission Apparatus.

earing Aids.

1. Audiphones.
2. Audiometers.
3. Stethoscopes.
4. Artificial Larynges.

[fol. 13776]

EXHIBIT A-77

Sales, Net Profits, and Average Investment, Bell Business, 1916 to 1930, Inclusive

(Dollars in Thousands)

	Sales	Total cost of sales	Net profits	Per cent Net profits to sales	Average investment	Per cent return on investment
1916	$73,915	$71,775	$2,140	2.9	$46,112	4.6
1917	104,682	102,157	2,525	2.4	66,184	3.8
1918	79,217	76,796	2,421	3.1	70,685	3.4
1919	80,361	77,674	2,687	3.3	69,939	3.8
1920	130,712	125,857	4,855	3.7	98,914	4.9
1921	142,885	131,747	11,138	7.8	125,330	8.9
1922	159,957	153,595	6,362	4.0	123,089	5.2
1923	188,159	181,967	6,192	3.3	131,504	4.7
1924	233,300	222,425	10,875	4.7	158,488	6.9
1925	226,700	210,448	16,252	7.2	163,085	10.0
1926	247,203	234,652	12,551	5.1	160,255	7.8
1927	241,062	224,194	16,868	7.0	167,371	10.1
1928	267,808	250,524	17,284	6.5	161,378	10.7
1929	372,384	355,012	17,372	4.7	204,507	8.5
1930	338,830	327,145	11,685	3.4	270,556	4.3
Total	2,887,175	2,745,968	141,207	4.9	2,017,397	7.0

[fol. 13777]

EXHIBIT A-78

Sales, Net Profits, and Average Investment, Bell Business, 1916 to 1931, Inclusive

(Dollars in Thousands)

	Sales	Total cost of sales	Net profits	Per cent Net profits to sales	Average investment	Per cent return on investment
1916	$73,915	$71,775	$2,140	2.9	$46,112	4.6
1917	104,682	102,157	2,525	2.4	66,184	3.8
1918	79,217	76,796	2,421	3.1	70,685	3.4
1919	80,361	77,674	2,687	3.3	69,939	3.8
1920	130,712	125,857	4,855	3.7	98,914	4.9
1921	142,885	131,747	11,138	7.8	125,330	8.9
1922	159,957	153,595	6,362	4.0	123,089	5.2
1923	188,159	181,967	6,192	3.3	131,504	4.7
1924	233,300	222,425	10,875	4.7	158,488	6.9
1925	226,700	210,448	16,252	7.2	163,085	10.0
1926	247,203	234,652	12,551	5.1	160,255	7.8
1927	241,062	224,194	16,868	7.0	167,371	10.1
1928	267,808	250,524	17,284	6.5	161,378	10.7
1929	372,384	355,012	17,372	4.7	204,507	8.5
1930	338,830	327,145	11,685	3.4	270,556	4.3
1931 estimated as basis of 8 mos	219,233	209,748	9,485	4.3	270,766	3.5
Total	3,106,408	2,955,716	150,692	4.9	2,288,163	6.6

[fol. 13778]

EXHIBIT A-79

Sales, Net Profits, and Average Investment, Non-Bell Business, 1916 to 1930, Inclusive

(Dollars in Thousands)

	Sales	Total cost of sales	Net profits	Per cent Net profits to sales	Average investment	Per cent return on investment
1916	$33,072	$31,342	$1,730	5.2	$12,983	13.3
1917	45,658	42,383	3,275	7.2	16,774	19.5
1918	66,009	62,396	3,613	5.5	23,105	15.6
1919	55,361	52,672	2,689	4.9	22,919	11.7
1920	75,400	72,965	2,435	3.2	26,557	9.2
1921	46,880	49,544	(2,664)	(5.7)	27,181	(9.8)
1922	50,984	49,312	1,672	3.3	17,254	9.7
1923	67,018	64,095	2,923	4.4	19,267	15.2
1924	64,981	62,611	2,370	3.6	20,432	11.6
1925	71,029	71,701	(672)	(.9)	21,384	(3.1)
1926	15,902	14,206	1,696	10.7	12,367	13.7
1927	12,662	11,365	1,297	10.2	11,186	11.6
1928	20,123	17,531	2,592	12.9	15,202	17.0
1929	33,566	32,177	6,389	16.6	26,419	24.2
1930	22,648	21,399	1,249	5.5	18,798	6.6
Total	686,293	655,699	30,594	4.5	291,828	10.5

Sales, Net Profits, and Average Investment, Non-Bell Business, 1916 to 1931, Inclusive

(Dollars in Thousands)

	Sales	Total cost of sales	Net profits	Per cent Net profits to sales	Average investment	Per cent return on investment
1916	$33,072	$31,342	$1,730	5.2	$12,983	13.3
1917	45,658	42,383	3,275	7.2	16,774	19.5
1918	66,009	62,396	3,613	5.5	23,105	15.6
1919	55,361	52,672	2,689	4.9	22,919	11.7
1920	75,400	72,965	2,435	3.2	26,557	9.2
1921	46,880	49,544	(2,664)	(5.7)	27,181	(9.8)
1922	50,984	49,312	1,672	3.3	17,254	9.7
1923	67,018	64,095	2,923	4.4	19,267	15.2
1924	64,981	62,611	2,370	3.6	20,432	11.6
1925	71,029	71,701	(672)	(.9)	21,384	(3.1)
1926	15,902	14,206	1,696	10.7	12,367	13.7
1927	12,662	11,365	1,297	10.2	11,186	11.6
1928	20,123	17,531	2,592	12.9	15,202	17.0
1929	38,566	32,177	6,389	16.6	26,419	24.2
1930	22,648	21,399	1,249	5.5	18,798	6.6
1931 estimated on basis of 8 mos	9,963	9,851	112	1.1	12,900	.9
Total	696,256	665,550	30,706	4.4	304,728	10.1

(Here follows 1 paster Exhibit A-81, side folio 1

13780]

EXHIBIT A-81

Analysis of Sales of W. E. Manufactures to Non-Bell Customers, 1916 to 1931, Inclusive

(Dollars in Thousands)

Year	Total	Domestic customers (of Supply Department)	Export and foreign (Int'l Western Electric Co. Inc. and Northern Electric Co. Ltd.)	U. S. Government	Distributors				Other customers
					Graybar Electric Company Inc.	International Standard Electric Corporation	Northern Electric Company Limited	Electrical Research Products Inc.	
16	$6,664	$3,910	$2,754(A)	$.....	$.....	$.....	$.....	$.....	$.....
17	8,507	3,557	2,801(A)	2,149	.....	.....	.....	.....	.....
18	21,537	4,639	2,543	14,355	.....	.....	.....	.....	.....
19	12,950	3,865	4,388	4,697	.....	.....	.....	.....	.....
20	9,209	4,547	4,051	611	.....	.....	.....	.....	.....
21	10,918	4,637	6,281	.....	.....	.....	.....	.....	.....
22	8,963	7,092	1,871	.....	.....	.....	.....	.....	.....
23	11,525	8,140	3,385	.....	.....	.....	.....	.....	.....
24	14,594	10,486	4,108	.....	.....	.....	.....	.....	.....
25	14,768	11,535	3,233(B)	.....	.....	.....	.....	.....	.....
26	15,454	.....	.....	.....	.....	.....	.....	.....	.....
27	12,192	.....	.....	.....	9,667	2,399	1,016	.....	2,372
28	19,756	.....	.....	.....	6,662	1,[illegible]0	1,285	2,325	.....
29	35,631	.....	.....	.....	7,010	1,744	1,691	9,311	.....
30	21,024	.....	.....	.....	7,986	[illegible]782	2,949	22,914	.....
31 Estimated on basis of 8 mos	9,406	.....	.....	.....	6,888	1,222	2,700	9,461	753
					4,619	592	1,109	2,254	832
Total	233,098	62,408	35,415	21,812	42,832	9,659	10,750	46,265	3,957

(A) Includes sales to foreign companies and sales by Export Department, which in 1918 were owned by or were part of the International Western Electric Company, Inc.

(B) Includes $190,000 sales to foreign submarine cable manufacturing companies.

EXHIBIT A-82

Royalties and Patents Sold and Expenses Applicable Thereto for the Periods 1916 to 1931 and 1923 to 1931

(Dollars in Thousands)

ties Received by:	1916 to 1931	1923 to 1931
Electric Company	$4,173	$4,038
Research Products Inc.	13,453	13,453
nal Western Electric from Sub-	1,811	740
nal Western Electric and Sub- from Others	589	541
l Royalties	20,026	18,772
d	946	581
l	20,972	19,353
nts Distributed to:		
n Tel. & Tel. Co	2,529	2,529
ne Corporation	2,211	2,211
n Electric Co. Ltd.	288	288
ional Standard Electric Corp	110	110
avis	4	4
Electric Companies	10	10
Electric Company	44	44
	5,196	5,196
etained by:		
Electric Company	4,891	4,391
al Research Products Inc.	8,485	8,485
ional Western Electric and Sub- ies	2,400	1,281
al Retained	15,776	14,157
Applicable to Royalties Received and ts Sold:		
Electric Co.—Royalties	2,842	2,797
Electric Co.—Patents Sold	674	581
al Research Products Inc. Development se	8,913	8,913
al Research Products Inc. Other Ex-	1,104	1,104
al Expenses	13,533	13,395
ties and Patents Sold	2,243	762

[fol. 13782] EXHIBIT A-83

Approximate Effect of Price Changes on Apparat
Equipment Sold to Bell Companies, 1921-193

Non-Cumulative

| | Estimated
of Price
Made
Each
(Annual |
|---|---|
| 1921 | $(—1,2 |
| 1922 | (—8,8 |
| 1923 | +2 |
| 1924 | (—6,1 |
| 1925 | (—1,1 |
| 1926 | (—9,4 |
| 1927 | (—5,0 |
| 1928 | (—11,5 |
| 1929 | (—12,5 |
| 1930 | +14,4 |

EXHIBIT A-84

Consolidated Earnings Statement of Western Electri
pany, Incorporated, and Subsidiaries, 1916-1931,
sive

(Dollars in Thousands)

Net Profits	
Average Investment	3
Per Cent Return on Investment	

EXHIBIT A–85

Return on Investment of 88 Manufacturing Companies
(Six-year Period 1925–1930)
(Dollars in Thousands)

	Average investment	Average annual earnings
duction	$29,171	$3,521
Chemical	317,681	25,249
can Agricultural Chemical	72,555	2,394
can Chain	31,065	2,415
can Cyanamid	28,676	2,079
can Ice	37,458	3,459
can Locomotive	112,353	4,732
can Radiator	124,972	13,159
can Safety Razor	7,440	1,220
can Snuff	13,165	1,912
can Steel Foundry	59,479	4,154
r-Daniels-Midland	18,730	1,816
Powder	26,590	2,005
E. W	28,809	890
n Shoe	19,485	1,631
oughs	39,294	7,629
J. I	41,660	3,398
rpillar Tractor	32,807	7,265
sler Motors	123,142	19,026
mbian Carbon	29,456	2,763
oleum-Nairn	39,583	1,674
ress Cigar	10,255	2,492
olidated Cigar	19,614	3,606
inental Baking	68,676	7,181
inental Can	59,168	6,852
inental Motors	34,680	1,350
e & Co	76,065	9,248
nison	16,260	1,121
nond Match	31,728	1,610
ont	243,927	22,626
ric Storage Battery	50,490	6,467
cott-Johnson	53,036	3,762
ka Vacuum Cleaner	6,218	1,144
banks-Morse	40,040	2,409
ral Baking	36,734	6,784
ral Cigar	28,873	3,650
ral Electric	529,720	52,797
ral Motors	824,210	201,377
ral Railway Signal	13,477	2,809
den	22,924	2,259
rich	130,924	8,068
year	221,163	18,755
and Furnace	12,920	1,790
on Motor	61,361	10,716
o Motor	28,880	3,146
rsoll-Rand	45,340	7,391
rnational Business Machine	29,165	5,304
rnational Cement	51,447	4,853
rnational Harvester	338,023	26,635
rnational Shoe	98,871	14,899
rnational Silver	22,314	1,208
tt & Myers	138,081	21,207
d Carbonic	16,305	1,582
lard	72,383	4,858
Truck	72,175	6,488

[fol. 13784] Exhibit A-85—Continued

	Average investment
56. Marlin Rockwell	10,539
57. Mathieson Alkali	22,068
58. Motor Wheel	15,848
59. Nash Motors	53,539
60. National Cash Register	57,172
61. National Lead	114,498
62. National Supply	48,184
63. Parke, Davis	26,652
64. Proctor & Gamble	104,195
65. Purity Bakeries	22,278
66. Radio Corp	71,324
67. Remington Arms	33,482
68. Reo Motors	35,059
69. Reynolds Tobacco	143,283
70. St. Regis Paper	46,603
71. Simmons	47,061
72. Smith, A. C	25,055
73. Spalding, A. G	21,065
74. Spicer Mfg	15,074
75. Stewart Warner	32,822
76. Studebaker	114,453
77. Timken Detroit Axle	20,509
78. Timken Roller Bearing	41,962
79. Torrington Mfg	11,346
80. Union Carbide	256,803
81. U. S. Gypsum	54,436
82. U. S. Industrial Alcohol	38,306
83. Ward Baking	39,214
84. Warren Bros	16,002
85. Westinghouse Electric	255,637
86. White Motor	44,973
87. Willys-Overland	84,668
88. Yale & Towne	24,956
Total 88 Companies	$6,687,979
Per Cent Earned on Investment 88 Companies	12 %

EXHIBIT A-86

Net Profits to Sales, 38 Manufacturing Companies

(Six-year Period 1925–1930)

This list includes all of the manufacturing companies used in com earnings on investment, for which sales information is available in a out of the five years, 1925–1929 inclusive.

(Dollars in Thousands)

	Sales
Air Reduction	$93,756
American Ice	118,497
Atlas Powder	120,499
Brown Shoe	197,077
Caterpillar Tractor	200,726
Chrysler	1,371,184
Columbian Carbon	56,905
Congress Cigar	97,740
Electric Storage Battery*	231,359
Endicott-Johnson	405,335
Eureka Vacuum Cleaner	62,769
Fairbanks-Morse	175,472

* 1926–1930 only.

Exhibit A-86—Continued

	Sales	Net profits
ectric	2,058,562	219,291
otors	7,009,808	1,187,674
	176,084	13,265
	904,872	43,216
	1,389,399	95,015
rnace	96,537	10,739
or	290,004	14,786
al Cement	146,012	28,039
al Shoe	712,752	86,714
al Silver	112,583	6,522
bonic*	57,102	6,943
ck	349,986	38,928
Cash Register	291,982	40,394
Supply	60,853	20,213
d Gamble	996,246	94,500
keries**	170,721	18,616
n Arms	112,755	8,275
rs	290,813	12,369
	229,742	19,852
A. G.	146,495	8,729
Paper	81,760	13,720
er	845,425	66,263
ustrial Alcohol***	107,037	3,801
Bros	123,120	7,096
ouse Electric	1,112,706	92,670
otor**	305,208	6,473
otal	21,289,883	2,469,549
ts to Sales, 38 Companies	11.6%	

6–1930 only.
5–1929 only.
5–1928 only.

EXHIBIT A-87

Profits to Sales, 39 Manufacturing Companies

(Six-year Period 1925-1930)

list includes all of the manufacturing companies used putations of earnings on investment, for which sales ation is available in at least four out of the five years 929 inclusive:

	Per Cent
tional Supply	33.2
lumbian Carbon	26.7
terpillar Tractor	21.8
r Reduction	21.5
ternational Cement	19.2
neral Motors	16.9
Regis Paper	16.8
nerican Ice	15.4

Exhibit A-87—Continued

9. Congress Cigar
[fol. 13786] 10. National Cash Register
11. International Shoe
12. Liquid Carbonic*
13. Electric Storage Battery*
14. Holland Furnace
15. Mack Truck
16. Eureka Vacuum Cleaner
17. Purity Bakeries**
18. General Electric
19. Proctor & Gamble
20. Atlas Powder
21. Simmons
22. Westinghouse Electric
23. Studebaker
24. Fairbanks—Morse
25. Glidden
26. Chrysler
27. Remington Arms
28. Goodyear
29. A. G. Spaulding
30. International Silver
31. Warren Bros.
32. Endicott-Johnson
33. Western Electric
34. Hupp Motor
35. Brown Shoe
36. Goodrich
37. Reo Motors
38. U. S. Industrial Alcohol***
39. White Motor**

* 1926-1930 only.
** 1925-1929 only.
*** 1925-1928 only.

EXHIBIT A-88B

e Western Electric Company, Inc. of Telephone Apparatus, Lead Cable and Supplies to All Bell Telephone Companies Expressed in es of Total Sales to Bell Companies and Sales to the Ohio Bell Tele- mpany of the Same Expressed in Percentages of Total Sales to That

1916 to 1930

Telephone apparatus		Lead covered cable		Supplies	
% of total sales to all Bell Cos.	% of total sales to Ohio Bell Tel. Co.*	% of total sales to all Bell Cos.	% of total sales to Ohio Bell Tel. Co.*	% of total sales to all Bell Cos.	% of total sales to Ohio Bell Tel. Co.*
31.4	36.4	22.4	29.7	46.2	33.9
34.2	38.7	23.0	32.7	42.8	28.6
44.9	68.1	12.5	8.9	42.6	23.0
43.5	51.9	9.6	14.2	46.9	33.9
41.4	39.3	12.3	13.9	46.3	46.8
62.4	56.7	8.1	9.7	29.5	33.6
61.9	54.0	10.6	9.8	27.5	36.2
57.5	53.8	12.7	10.1	29.8	36.1
61.4	54.4	14.7	13.0	23.9	32.6
55.9	58.9	17.7	14.0	26.4	27.1
54.2	68.2	17.3	9.3	28.5	22.5
55.2	54.0	15.7	12.6	29.1	33.4
50.9	48.6	16.2	15.0	32.9	36.4
47.8	58.9	17.2	15.4	35.0	25.7
57.6	63.2	16.7	14.5	25.7	22.3
52.9	55.9	15.4	14.3	31.7	29.8

—This exhibit is based on shipments made in each of the years, s shipments to the Cleveland Telephone Company and 40 per cent nents to the Central Union Telephone Company, on the assumption ercentage covers shipments for territory in Ohio now owned by the elephone Company, and does not include shipments of junk material Telephone Company to Western Electric Company.

A-88B—Page 2

e Western Electric Company, Inc. of Telephone Apparatus, Lead Cable and Supplies to All Bell Telephone Companies Expressed in es of Total Sales to Bell Companies and Sales to the Ohio Bell Tele- mpany of the Same Expressed in Percentages of Total Sales to That

1931

Telephone apparatus		Lead covered cable		Supplies	
% of total sales to all Bell Cos.	% of total sales to Ohio Bell Tel. Co.	% of total sales to all Bell Cos.	% of total sales to Ohio Bell Tel. Co.	% of total sales to all Bell Cos.	% of total sales to Ohio Bell Tel. Co.
64.3	68.0	9.8	8.1	25.9	23.9

[fol. 13789]

EXHIBIT A90-B

Western Electric Co., Inc.

Sales to Bell Telephone Companies and Total Sales, 1916–1931

(Dollars in Thousands)

	W. E. manufactures			Supplies			Total W. E. manufactures and supplies		
	Total	Bell	% Bell of total	Total	Bell	% Bell of total	Total	Bell	% Bell of Total
1916	$46,457	$39,793	85.7	$60,530	$34,122	56.4	$106,987	$73,915	69.1
1917	68,342	59,835	87.6	81,998	44,847	54.7	150,340	104,682	69.6
1918	66,986	45,449	67.8	78,240	33,768	43.2	145,226	79,217	54.6
1919	55,657	42,707	76.7	80,065	37,654	47.0	135,722	80,361	59.2
1920	79,406	70,197	88.4	126,706	60,515	47.8	206,112	130,712	63.4
1921	111,614	100,696	90.2	78,151	42,189	54.0	189,765	142,885	75.3
1922	124,915	115,952	92.8	86,026	44,005	51.2	210,941	159,957	75.8
1923	143,643	132,118	92.0	111,534	56,041	50.3	255,177	188,159	73.7
1924	192,021	177,427	92.4	106,260	55,873	52.6	298,281	233,300	78.2
1925	181,653	166,885	91.8	116,076	59,815	51.5	297,729	226,700	76.2
1926	192,237	176,783	92.0	70,868	70,420	99.4	263,105	247,203	94.0
1927	183,106	170,914	93.3	70,618	70,148	99.3	253,724	241,062	95.0
1928	199,562	179,806	90.1	88,369	88,002	99.6	287,931	267,808	93.0
1929	277,715	242,084	87.2	133,235	130,300	97.8	410,950	372,384	90.6
1930	272,880	251,856	92.3	88,598	86,974	98.2	361,478	338,830	93.7
1931	171,598	162,702	94.8	57,358	56,833	99.1	228,956	219,535	95.9

0] EXHIBIT A-91

Electric Company, Incorporated Book Cost of Facilities (Land, Buildings, Service Equipment, nery, Tools, Furniture and Fixtures) with Annual ses, 1916-1930

(Dollars in Thousands)	Book Cost	Increase During Year
r 31, 1915	$19,434	
" 1916	20,843	$1,409
" 1917	25,046	4,203
" 1918	27,972	2,926
" 1919	30,544	2,572
" 1920	37,838	7,294
" 1921	45,570	7,732
" 1922	49,206	3,636
" 1923	57,366	8,160
" 1924	71,797	14,431
" 1925	73,244	1,447
" 1926	78,208	4,964
" 1927	86,739	8,531
" 1928	94,426	7,687
" 1929	134,564	40,138
" 1930	163,818	29,254

EXHIBIT A-92

ed Factories of the Western Electric Co., Inc., at June 30, 1931

	Date of erection, acquisition, or major addition	Product manufactured
rne Works, Chicago, Ill.	1905	Lead Covered Cable
	1906	" " "
	1907	Telephone Apparatus
	1908	" "
	1909	" "
	1911	" "
	1912	Lead Covered Cable
	1917	Telephone Apparatus
	1920	" "
	1921	" "
	1922	" "
	1923	" "
	1924	" "
	1924	Copper Wire
	1928	Lead Covered Cable
	1929	" " "
orks, Kearny, N. J.	1925	Lead Covered Cable
	1926	Telephone Apparatus
	1928	" "
	1929	" "
o Works, Maspeth Station,	1929	Telephone Booths and other wood products
se Works, Baltimore, Md.	1929	Lead Covered Cable Telephone Apparatus

[fol. 13791] EXHIBIT A-93-B

Sales, Per Cent Net Profits to Sales and Per Ce
on Average Investment, Total Bell Business
Bell Business for the Period 1916 to 1931, Inc

(Dollars in Thousands)

Total Bell Business

Sales
Per Cent Net Profits to Sales
Per Cent Return on Investment

Ohio Bell Business

Sales
Per Cent Net Profits to Sales
Per Cent Return on Investment

[fol. 13792] EXHIBIT A-94-B

Sales, Per Cent Net Profits to Sales and Per Cent Return on Averag
Total Bell Business and Ohio Bell Business for the Period 1916 to 19

(Dollars in Thousands)

Total Bell Business

	Telephone apparatus	Lead covered cable	Sup- plies
Sales	$1,668,177	$467,027	$971,50
Per Cent Net Profits to Sales	7.3	5.2	
Per Cent Return on Investment	7.1	8.1	2

Ohio Bell Business

Sales	$63,299	$15,453	$32,70
Per Cent Net Profits to Sales	7.3	5.5	
Per Cent Return on Investment	7.2	8.7	2

[fol. 13793] EXHIBIT A-95-B

Sales, Per Cent Net Profits to Sales and Per Ce
on Average Investment, Total Bell Business
Bell Business for the Period 1923 to 1931, Inc

(Dollars in Thousands)

Total Bell Business

Sales
Per Cent Net Profits to Sales
Per Cent Return on Investment

Ohio Bell Business

Sales
Per Cent Net Profits to Sales
Per Cent Return on Investment

EXHIBIT A–96–B

t Net Profits to Sales and Per Cent Return on Average Investment, siness and Ohio Bell Business for the Period 1923 to 1931 Inclusive

(Dollars in Thousands)

Total Bell Business

	Telephone apparatus	Lead covered cable	Supplies	Total
.....	$1,296,388	$364,187	$674,406	$2,334,981
Profits to Sales.....	7.5	5.2	.5	5.1
urn on Investment...	7.7	7.7	2.1	7.1

Ohio Bell Business

.....	53,017	11,466	25,175	89,658
Profits to Sales.....	7.6	5.4	.6	5.3
urn on Investment...	7.8	8.0	2.3	7.3

(Here follows 1 photo, Exhibit A-99, folio 1

EXHIBIT A-99

GRAPHIC PRESENTATION OF EXTENT AND EMPLOYMENT OF BELL SYSTEM ASSETS

DECEMBER 31 1929

AREA OF SQUARES IS PROPORTIONAL TO ASSETS

ASSETS ARE ALSO SHOWN IN DOLLARS

PERCENTAGES (EXCEPT AS NOTED) INDICATE PROPORTION OF COMMON STOCK OWNED BY THE AM TEL AND TEL CO

SHADED PORTION OF AREAS INDICATES OWNERSHIP BY OTHERS

DARK BLUE AREAS INDICATE WHERE LICENSE CONTRACT SERVICES APPLY

LIGHT BLUE AREAS INDICATE COMPANIES WHICH AID A T & T CO IN SERVING LICENSE COMPANIES

BLACK AREAS INDICATE DIRECT WORKING ASSETS OF A T & T CO

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

CASH AND TEMPORARY INVESTMENTS
$ 40 165 351

FURNITURE AND OTHER PROPERTY
$ 1 402 052

RECEIVABLES AND MISC
$ 775 775

E R P I
$64 749 000
100% W E

BELL LABS
$14 822 568
50% A T & T
50% W E

OTHER SUBSIDIARIES
$ 5 963 268
100% W E CO

B T SECURITIES CO
$19 286 328
100%

CUBAN AMERICAN
$1 719 294
50%

195 & 205 BWAY
$ 26 931 481
83 6%

COMBINED ASSETS OF BELL SYSTEM COMPANIES
$ 4 742 420 000

ASSETS OF LICENSEE COMPANIES AND LONG LINES DEPARTMENT OF THE A T & T CO
$ 4 253 645 000

ASSOCIATED OPERATING COMPANIES IN THE UNITED STATES AND THE BELL TELEPHONE COMPANY OF CANADA

CHESAPEAKE & POTOMAC COMPANIES

$ 67 988 021 33 34 %

$31 729 223
100%

$47 804 416
100%

$28 501 987
100%

$24 081 504
100%

$45 864 680
99 99%

CINN & SUB

$37 728 091
29 71%

$179 680 187 30 56 %

SPECIAL CONTRACT FOR LIMITED SERVICE

INDICATE PROPORTION
ON STOCK OWNED BY
TEL AND TEL CO

ED PORTION OF AREAS
CATES OWNERSHIP BY
OTHERS

DARK BLUE AREAS
CATE WHERE LICENSE
TRACT SERVICES APPLY

LIGHT BLUE AREAS
INDICATE COMPANIES
HICH AID A T & T CO
IN SERVING
LICENSE COMPANIES

BLACK AREAS INDICATE
DIRECT WORKING ASSETS
OF A T & T CO

INVESTMENTS
$ 40.165 351

OTHER PROPERTY
$ 1.402 052

AND MISC
$ 775 775

COMBINED ASSETS OF
BELL SYSTEM COMPANIES
$ 4 742 420 000

ASSETS OF LICENSEE
COMPANIES AND
LONG LINES DEPARTMENT
OF THE A T & T CO
$ 4.253.645.000

E R P I
$64 749.000
100% W E

BELL LABS
$14 822.568
50% A T & T
50% W E

OTHER
SUBSIDIARIES
$ 5.963.268
100% W E CO

B T
SECURITIES
CO
$19 286 328
100 %

195 & 205
BWAY
$ 26 931 481
83 6%

CUBAN AMERICAN
$1 719 294
50%

ASSOCIATED OPERATING COMPANIES IN THE UNITED STATES AND THE BELL TELEPHONE COMPANY OF CANADA

CHESAPEAKE & POTOMAC COMPANIES

$ 67.988 021 33.34 %

$31.729.223
100%

$47.804416
100%

$28.501.987
100%

$24.081.504
100%

DIAMOND STATE
$ 7 887 684
100 %

$45.864.680
99.99%

CINN & SUB

$3.728.091
29.71%

$179.680.187 30.56 %

SPECIAL CONTRACT FOR
LIMITED SERVICE

[98] EXHIBIT A-100

Lines of Total Associated Operating Companies, Including Long Lines Department and the Bell Telephone Company of Canada

	Long lines	Total associated operating companies long lines and Bell of Canada	% long lines of total
	Plant in service		
1923	$106,754,270	$1,785,892,407	6.0
1924	125,359,671	2,054,099,512	6.1
1925	138,633,543	2,361,575,372	5.9
1926	150,434,899	2,657,226,223	5.7
1927	180,983,696	2,940,006,674	6.2
1928	218,082,742	3,199,368,308	6.8
1929	264,961,353	3,504,655,454	7.6
1930	353,729,332	3,938,948,405	9.0
	Regular Employees		
1923	9,317	267,674	3.5
1924	9,506	285,473	3.3
1925	9,016	291,946	3.1
1926	10,926	308,372	3.5
1927	12,897	314,634	4.1
1928	14,842	324,874	4.6
1929	20,907	362,499	5.8
1930	21,969	354,316	6.2

Sources of Information

	Plant in service	Regular employees
sociated Operating Companies	CR 64A	
es	MR 6	MR 23
anada	MR 6	MR 23
em		CR 89 less MR 23—Genl.

t Long Lines of Total Associated Companies, Long Lines, and Bell Telephone Company of Canada

	Total Expenses, "000" Omitted				Per Cent Long Lines of Total Ass'd Cos., Long Lines and Bell of Canda
	Total Ass'd Operating Companies (a)	Long Lines (b)	Bell of Canada (c)	Total Columns a, b and c (d)	b + d (e)
	$437,070	$27,897	$17,437	$482,404	5.78
	486,166	28,697	19,572	534,435	5.37
	531,686	31,495	21,234	584,415	5.39
	587,170	37,202	24,433	648,805	5.73
	642,257	43,057	26,383	711,697	6.05
	699,010	52,253	28,628	779,891	6.70
	767,493	63,738	31,918	863,149	7.38
	804,969	68,934	33,130	907,033	7.60

Sources of Information

nses (including license Con-yment)	CR 51A	MR 1	MR 1
e Contract Payment	ICC Annual Reports Acct. 320	Annual Cash Statements, Genl. Dept.	MR 4

[fol. 13797]

EXHIBIT A-100—Continued

% Long Lines of Total Associated Operating Companies, Including L... Department and the Bell Telephone Company of Canada

Toll Plant Investment

	Long lines	Total associated operating companies long lines and Bell of Canada	% L... of ...
June 30, 1923	$86,364,442	$331,275,763	
" 30, 1924	100,136,957	356,624,282	
" 30, 1925	109,001,640	362,240,522	
" 30, 1926	115,095,564	409,036,516	
" 30, 1927	135,993,922	446,104,704	
" 30, 1928	158,850,559	493,385,069	
" 30, 1929	193,597,835	566,410,437	
" 30, 1930	256,037,716	700,216,255	

Sources of Information

Total Associated Operating Companies..... CR
Long Lines..... MR
Bell of Canada..... MR

Total Toll Messages

1923	30,894,146	559,451,425	
1924	31,583,533	609,822,850	
1925	33,780,930	701,379,030	
1926	33,465,407	793,546,269	
1927	35,645,685	874,150,788	
1928	42,209,356	949,793,409	
1929	49,312,631	1,049,552,934	
1930	50,528,418	982,189,299	

Toll Board Messages

1923	30,894,146	234,969,598	
1924	31,583,533	256,125,597	
1925	33,780,930	278,447,475	
1926	33,465,407	288,850,842	
1927	35,645,685	290,218,062	
1928	42,209,356	306,783,271	
1929	49,312,631	348,602,000	
1930	50,528,418	355,911,000	

Sources of Information

A. T. & T. Co. Annual Report to Stockholders.
Bell of Canada Annual Report to Stockholders.
A. T. & T. Co. Report to I. C. C. Schedule 406.

[fol. 13798]

Total Messages—Exchange and Toll	30,894,146	15,892,873,488
June 30, 1923		
Total Regular Employees	9,317	267,674
Total Regular Plant Employees	4,572	76,179
Total Regular Traffic Employees	4,231	163,670
Total Plant in Service	$106,754,270	$1,785,892,4...
Exchange and Toll Lines	86,364,442	998,121,1...
Toll Lines	86,364,442	331,275,7...
Central Office Equipment	13,360,277	353,715,0...
Buildings	1,177,312	128,947,0...
Land and Buildings	1,266,020	161,919,6...
Plant in Service (Excl. Land and Buildings)	105,488,250	1,623,972,7...
Total Company Stations	324	10,302,4...

798] Exhibit A–100—Continued

Sources of Information

ces	CR 39 and MR 23
	CR 64A and MR 6
	CR 51A and MR 1
s	A. T. & T. Co. and Bell of Canada Annual Reports to Stockholders.

Lines of Total Associated Operating Companies, Including Long Lines and Bell Tel. Co. of Canada

1930

Year 1930	Long Lines	Assoc. Oper. Cos. Long Lines and Bell Tel. Co. of Canada	% Long Lines to Total
Messages—Exchange and	50,528,418	23,515,282,650	.2
June 30, 1930			
gular Employees	21,959	354,316	6.2
gular Plant Employees	13,106	120,195	10.9
gular Traffic Employees	7,831	182,128	4.3
ant in Service	$352,729,332	$3,938,948,405	9.0
e and Toll Lines	256,037,716	1,939,859,716	13.2
s	256,037,716	700,216,255	36.6
Office Equipment	71,994,364	986,286,782	7.3
	5,337,994	351,686,561	1.5
l Buildings	6,301,179	432,950,752	1.5
Service (Excl. Land and gs)	346,428,153	3,505,997,653	9.9
Horse and Teletypewriter s	6,743	14,389	47.
mpany Stations	76	16,368,365	.....

799] Sources of Information

s	CR 39 and MR 23
	CR 64A and MR 6
	CR 51A, MR 1 and MR 7A and CR 65B
	A. T. & T. Co. and Bell of Canada Annual Reports to Stockholders and I. C. C. Annual Report, Schedule 406.

EXHIBIT A-101-B (Sheet 1)

% OHIO BELL TELEPHONE COMPANY OF TOTAL ASSOCIATED OPERATING COMPANIES (EXCLUDING LONG LINES) AND INCLUDING BELL TELEPHONE COMPANY OF CANADA

COMPANY STATIONS

	Ohio Bell Telephone Company	Total Associated Operating Companies and Bell Tel.Co. of Canada	% Ohio Bell Telephone Company to Total
June 30, 1923	493,406	10,391,763	4.7
June 30, 1924	502,928	11,281,123	4.5
June 30, 1925	520,604	12,128,014	4.3
June 30, 1926	544,106	12,985,765	4.2
June 30, 1927	587,600	13,927,123	4.2
June 30, 1928	623,410	14,707,500	4.2
June 30, 1929	688,518	15,645,243	4.4
June 30, 1930	717,832	16,368,289	4.4
June 30, 1931*	700,330	16,267,882	4.3

PLANT IN SERVICE

June 30, 1923	$ 86,221,694	$1,679,138,137	5.1
June 30, 1924	90,381,045	1,928,739,841	4.7
June 30, 1925	96,416,702	2,222,941,830	4.3
June 30, 1926	105,748,925	2,506,791,323	4.2
June 30, 1927	118,121,007	2,759,022,978	4.3
June 30, 1928	129,839,538	2,981,285,565	4.4
June 30, 1929	141,672,792	3,239,694,101	4.4
June 30, 1930	159,732,696	3,586,219,073	4.5
June 30, 1931*	164,033,953	3,796,848,648	4.3

SOURCES OF INFORMATION

	Company Stations	Plant in Service
Total Associated Operating Companies (excluding Long Lines)	CR 51A	CR 64A
Bell Tel.Co. of Canada	MR 1	MR 8
Ohio Bell Telephone Company	MR 1	MR 6

* 1931 data here added - Chicago Exhibit A-101 included Years 1923 to 1930.

13800

EXHIBIT A-101-B (Sheet 2)

% OHIO BELL TELEPHONE COMPANY OF TOTAL ASSOCIATED OPERATING COMPANIES (EXCLUDING LONG LINES) AND INCLUDING BELL TELEPHONE COMPANY OF CANADA

Regular Employees

	Regular Employees Ohio Bell Telephone Company	Regular Employees Total Associated Operating Companies and Bell Tel. Co. of Canada	% Ohio Bell Telephone Company to Total
June 30, 1923	11,961	258,357	4.3
1924	11,471	275,972	4.2
1925	11,911	282,930	4.2
1926	12,174	297,446	4.1
1927	12,750	301,737	4.2
1928	13,519	310,032	4.4
1929	14,567	341,582	4.3
1930	13,820	332,357	4.2
1931*	11,438	295,139	3.9

SOURCES OF INFORMATION

Total Associated Operating Companies — CR 89 less (MR 23 Genl. (MR 23 Long Lines

Bell Tel. Co. of Canada — MR 23

Ohio Bell Telephone Company — MR 23

* 1931 data here added - Chicago Exhibit A-101 included Years 1923 to 1930.

13801

EXHIBIT A-101-B (Sheet 3)

% OHIO BELL TELEPHONE COMPANY OF TOTAL ASSOCIATED COMPANIES (EXCLUDING LONG LINES) AND BELL TELEPHONE COMPANY OF CANADA

Year	Total Expenses "000" Omitted				% Ohio Bell Telephone Company of Total Associated Companies and Bell of Canada (e)
	Total Associated Operating Companies (a)	Bell of Canada (b)	Total (a) and (b) (c)	Ohio Bell Telephone Company (d)	
1923 . . .	$437,070	$17,437	$454,507	$20,802	4.58
1924 . . .	486,166	19,572	505,738	22,536	4.46
1925 . . .	531,686	21,234	552,920	23,907	4.32
1926 . . .	587,170	24,433	611,603	26,142	4.27
1927 . . .	642,257	26,383	668,640	28,129	4.21
1928 . . .	699,010	28,628	727,638	30,731	4.22
1929 . . .	767,493	31,918	799,411	35,112	4.39
1930 . . .	804,969	33,130	838,099	35,873	4.28
1931*. . .	780,663	32,152	812,815	34,353	4.23

SOURCES OF INFORMATION

Total Expenses (including License Contract Payment)	CR 51A	MR 1
Less: License Contract Payment	ICC Annual Reports Acct. 526	MR 4

* 1931 data added - Chicago Exhibit A-101 included only years 1923 to 1930.

13802

8721

EXHIBIT A-103

ALLOCATION OF O. & E. DEPARTMENT EXPENSES AS BETWEEN LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA)

Year	Per Cent. L. L. of Total				Expenses of O. & E. in License Services		
	Plant Investment	Employees	Expenses	Composite	Total	Allocated to L.L.	Allocated to Assoc. Cos. (Inc. Canada)
1923	6.0	3.5	5.8	5.1	$2,550,709	$130,086	$2,420,623
1924	6.1	3.3	5.4	4.9	2,688,340	131,729	2,556,611
1925	5.9	3.1	5.4	4.8	2,963,159	142,232	2,820,927
1926	5.7	3.5	5.7	5.0	3,301,306	165,065	3,136,241
1927	6.2	4.1	6.0	5.4	3,562,940	192,399	3,370,541
1928	6.8	4.6	6.7	6.0	3,813,983	228,839	3,585,144
1929	7.6	5.8	7.4	6.9	4,102,105	283,045	3,819,060
1930	9.0	6.2	7.6	7.6	4,340,568	329,883	4,010,685
*1931	9.5	5.4	7.6	7.5	4,234,967	317,623	3,917,344

* 1931 data added - Chicago Exhibit A-103 included only years 1923 to 1930.

EXHIBIT A-108-B

ALLOCATION TO OHIO BELL TELEPHONE COMPANY
OF
O. & E. DEPARTMENT EXPENSES FOR SERVICES
TO ASSOCIATED COMPANIES (EXCL. CANADA)

Year	Per cent. Ohio Bell Tel. Co. is of Assoc. Cos. (Incl. Canada)					Expenses of O. & E. in License Services to Assoc. Cos. (Incl. Canada)	
	Stations	Plant Investment	Employees	Expenses	Composite	Total	Allocated to Ohio Bell Tel. Co.
1923	4.7	5.1	4.3	4.6	4.7	$2,420,623	$113,769
1924	4.5	4.7	4.2	4.5	4.5	2,556,611	115,047
1925	4.3	4.3	4.2	4.3	4.3	2,820,927	121,300
1926	4.2	4.2	4.1	4.3	4.2	3,136,241	131,722
1927	4.2	4.3	4.2	4.2	4.2	3,370,541	141,563
1928	4.2	4.4	4.4	4.2	4.3	3,585,144	154,161
1929	4.4	4.4	4.3	4.4	4.4	3,819,060	168,039
1930	4.4	4.5	4.2	4.3	4.4	4,010,685	176,470
1931	4.3	4.3	3.9	4.2	4.2	3,917,344	164,528

* 1931 data added - Chicago Exhibit A-108 included only years 1923 to 1930

13804

EXHIBIT A-109

Sales of Special Commercial Products by Western Electric Company, Incorporated 1916 to 1931 Inclusive

	Aviation communication equipment	Sound picture equipment	Permalloy and related machinery and equipment	Phonograph equipment	Radio transmitting equipment	Radio receiving equipment	Public address and music reproduction equipment	Railway equipment	Power line carrier terminal apparatus	Scientific equipment (A)	Engineer installat rentals repair
-1919 Inclusive.											
ll	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ -0	$ 0	$
on-Bell	0	0	0	0	0	0	0	500,000	0	0	
Total	0	0	0	0	0	0	0	500,000	0	0	
ll	0	0	0	0	0	0	0	0	0	0	
on-Bell	0	0	0	0	0	(Included with Other)		225,000	0	0	
Total	0	0	0	0	0	" " "		225,000	0	0	
ll	0	0	0	0	0	" " "		8,752	0	0	
on-Bell (B)	0	0	0	0	0	" " "		157,390	0	0	
Total	0	0	0	0	0	" " "		166,142	0	0	
ll	0	0	0	0	14,669	38,993	12,048	13,715	0	0	(Included w Other)
on-Bell (B)	0	0	111,000	0	254,126	1,201,481	27,255	150,396	0	0	"
Total	0	0	111,000	0	268,795	1,240,474	39,303	164,111	0	0	" "
l	0	0	0	0	129,102	336,136	41,911	8,593	0	0	" "
n-Bell (B)	0	0	303,000	0	264,663	1,447,014	52,550	277,952	0	0	" "
Total	0	0	303,000	0	393,765	1,783,150	94,461	286,545	0	0	" "
l	0	0	0	0	178,017	374,708	57,761	3,141	0	0	" "
n-Bell (B)	0	0	243,000	0	849,830	1,486,789	514,717	316,594	0	46,000	" "
Total	0	0	243,000	0	1,027,847	1,861,497	572,478	319,735	0	46,000	" "
l	0	0	0	0	125,000	119,000	30,000	24,000	0	0	18
n-Bell (B)	0	0	640,000	0	1,350,000	1,170,000	185,000	294,000	0	90,000	119
Total	0	0	640,000	0	1,475,000	1,289,000	215,000	318,000	0	90,000	137
	0	38,878	12,481	0	19,430	294,652	30,721	5,805	0	5,004	
-Bell	0	1,171,122	1,188,519	14,000	936,570	1,485,348	186,279	501,195	23,000	74,996	8
Total	0	1,210,000	1,201,000	14,000	956,000	1,780,000	217,000	507,000	23,000	80,000	
	0	25,131	14,925	374	19,212	462,570	22,284	9,316	4,220		
-Bell	0	1,969,014	224,907	94,399	213,860	882,767	63,342	330,688	31,660		
Total	0	1,994,145	239,832	94,773	233,072	1,345,337	85,626	340,004			
	0	3,039	5,198	90	(12,357)	211,005					
-Bell	0	7,973,630	43,628	39,886	908,500						
Total	0	7,976,669	48,826	39,976	896,143	637,397	127,439	169,079	23,185	71,8	
	0	84,855	3,156	0	697,853	92,784	148,869	15,377	1,332	11,237	
-Bell	4,275	21,993,800	15,948	37,186	1,236,300	239,100	396,959	165,926	7,512	81,981	
Total	4,275	22,078,655	19,104	37,186	1,934,153	331,884	545,828	181,303	8,844	93,208	
	16,100	10,400	2,394	0	336,700	41,900	51,900	7,600	0	10,1	
	582,100	8,475,400	5,769	3,826	894,800	148,500	282,300	137,700			

	0	0	0	0	0	0	0	500,000	0	0	
	0	0	0	0	0	0	0	0	0	0	
n-Bell	0	0	0	0	0	(Included with Other)		225,000	0	0	
Total	0	0	0	0	0	" " "		225,000	0	0	
	0	0	0	0	0	" " "		8,752	0	0	
n-Bell (B)	0	0	0	0	0	" " "		157,390	0	0	
Total	0	0	0	0	0	" " "		166,142	0	0	
	0	0	0	0	14,669	38,993	12,048	13,715	0	0 (Included w Other)	
n-Bell (B)	0	0	111,000	0	254,126	1,201,481	27,255	150,396	0	0 "	
Total	0	0	111,000	0	268,795	1,240,474	39,303	164,111	0	0 " "	
	0	0	0	0	129,102	336,136	41,911	8,593	0	0 " "	
n-Bell (B)	0	0	303,000	0	264,663	1,447,014	52,550	277,952	0	0 " "	
Total	0	0	303,000	0	393,765	1,783,150	94,461	286,545	0	0 " "	
	0	0	0	0	178,017	374,708	57,761	3,141	0	0 " "	
n-Bell (B)	0	0	243,000	0	849,830	1,496,789	514,717	316,594	0	46,000 " "	
Total	0	0	243,000	0	1,027,847	1,831,497	572,478	319,735	0	46,000 " "	
	0	0	0	0	125,000	119,000	30,000	24,000	0	0	18,
n-Bell (B)	0	0	640,000	0	1,350,000	1,170,000	185,000	294,000	0	90,000	119,
Total	0	0	640,000	0	1,475,000	1,289,000	215,000	318,000	0	90,000	137,
	0	38,878	12,481	0	19,430	294,652	30,721	5,805	0	5,004	4,
n-Bell	0	1,171,122	1,188,519	14,000	936,570	1,485,348	186,279	501,195	23,000	74,996	82,
Total	0	1,210,000	1,201,000	14,000	956,000	1,780,000	217,000	507,000	23,000	80,000	87,
	0	25,131	14,925	374	19,212	462,570	22,284	9,316	4,220	6,780	20,
n-Bell	0	1,969,014	224,907	94,399	213,860	882,767	63,342	330,688	31,659	90,960	109,
Total	0	1,994,145	239,832	94,773	233,072	1,345,337	85,626	340,004	35,879	97,740	129,
	0	3,039	5,198	90	(12,357)	211,005	23,915	12,092	294	9,021	29
n-Bell	0	7,973,630	43,628	39,886	908,500	426,392	103,524	156,987	22,891	62,873	101
Total	0	7,976,669	48,826	39,976	896,143	637,397	127,439	169,079	23,185	71,894	131
	0	84,855	3,156	0	697,853	92,784	148,869	15,377	1,332	11,227	291
n-Bell	4,275	21,993,800	15,948	37,186	1,236,300	239,100	396,959	165,926	7,512	81,981	214
Total	4,275	22,078,655	19,104	37,186	1,934,153	331,884	545,828	181,303	8,844	93,208	505,
	16,100	10,400	2,394	0	386,700	41,900	51,900	7,600	0	10,100	(C)
n-Bell	582,100	8,475,400	5,769	3,826	894,800	148,500	232,300	137,700	507	49,700	(C)
Total	598,200	8,485,800	8,163	3,826	1,281,500	190,400	284,200	145,300	507	59,800	(C)
1931.											
Bell	(1,600)	14,500	0	0	278,800	11,500	29,300	3,600	0	13,200	(C)
Non-Bell	642,100	1,777,500	0	0	961,300	36,700	286,600	72,300	0	39,100	(C)
Total	640,500	1,792,000	0	0	1,240,100	48,200	315,900	75,900	0	52,300	(C)
Summary.											
Bell	14,500	176,803	38,154	464	1,836,426	1,983,248	448,709	111,991	5,846	55,332	363,
Non-Bell	1,228,475	43,360,466	2,775,771	189,297	7,869,949	8,524,091	2,048,526	3,286,128	85,569	535,610	626,
Grand Total	1,242,975	43,537,269	2,813,925	189,761	9,706,375	10,507,339	2,497,235	3,398,119	91,415	590,942	990,
Per Cent of Total.											
W. E. Manufactures	.052	1.839	.119	.008	.410	.444	.105	.144	.004	.025	

A Includes audiometers, stethoscopes, artificial larynges and other scientific equipment.

B Includes sales to the Supply Department.

C Billing of engineering, installation, rentals and repairs amounting to $584,900 in 1930 and $583,200 in 1931 were not classified as Special Commercial Products.

EXHIBIT A-109

Sales of Special Commercial Products by Western Electric Company, Incorporated 1916 to 1931 Inclusive

rmalloy and elated chinery and ipment	Phonograph equipment	Radio transmitting equipment	Radio receiving equipment	Public address and music reproduction equipment	Railway equipment	Power line carrier terminal apparatus	Scientific equipment (A)	Engineering, installation, rentals and repairs	Other	Total special commercial products	Total sales of W. E. Manufacture	Per cent special commercial products of total W. I. Manufacture
0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$187,784,000	.0
0	0	0	0	0	500,000	0	0	0	0	500,000	49,658,000	1.0
0	0	0	0	0	500,000	0	0	0	0	500,000	237,442,000	.2
0	0	0	0	0	0	0	0	0	0	0	70,197,000	.0
0	0	0	(Included with Other)		225,000	0	0	0	336,000	561,000	9,209,000	6.1
0	0	0	" " "		225,000	0	0	0	336,000	561,000	79,406,000	.7
0	0	0	" " "		8,752	0	0	0	69,052	77,804	100,696,000	.1
0	0	0	" " "		157,390	0	0	0	437,522	594,912	10,918,000	5.4
0	0	0	" " "		166,142	0	0	0	506,574	672,716	111,614,000	.6
0	0	14,669	38,993	12,048	13,715	0	0 (Included with Other)		8,480	87,905	115,952,000	.1
111,000	0	254,126	1,201,481	27,255	150,396	0	0 " "		144,837	1,889,095	8,963,000	21.1
111,000	0	268,795	1,240,474	39,303	164,111	0	0 " " "		153,317	1,977,000	124,915,000	1.6
0	0	129,102	336,136	41,911	8,593	0	0 " " "		58,575	574,317	132,118,000	.4
303,000	0	264,663	1,447,014	52,550	277,952	0	0 " " "		515,504	2,860,683	11,525,000	24.8
303,000	0	393,765	1,783,150	94,461	286,545	0	0 " " "		574,079	3,435,000	143,643,000	2.4
0	0	178,017	374,708	57,761	3,141	0	0 " " "		138,046	751,673	177,427,000	.4
243,000	0	849,830	1,486,789	514,717	316,594	0	46,000 " " "		281,522	3,738,452	14,594,000	25.6
243,000	0	1,027,847	1,861,497	572,478	319,735	0	46,000 " " "		419,568	4,490,125	192,021,000	2.3
0	0	125,000	119,000	30,000	24,000	0	0	18,000	166,000	482,000	166,885,000	.3
640,000	0	1,350,000	1,170,000	185,000	294,000	0	90,000	119,000	412,000	4,260,000	14,768,000	28.9
640,000	0	1,475,000	1,289,000	215,000	318,000	0	90,000	137,000	578,000	4,742,000	181,653,000	2.6
12,481	0	19,430	294,652	30,721	5,805	0	5,004	4,905	286,124	698,000	176,783,000	.4
188,519	14,000	936,570	1,485,348	186,279	501,195	23,000	74,996	82,095	430,876	6,094,000	15,454,000	39.4
201,000	14,000	956,000	1,780,000	217,000	507,000	23,000	80,000	87,000	717,000	6,792,000	192,237,000	3.5
14,925	374	19,212	462,570	22,284	9,316	4,220	6,780	20,553	317,359	902,724	170,914,000	.5
24,907	94,399	213,860	882,767	63,342	330,688	31,659	90,960	109,026	378,654	4,389,276	12,192,000	36.0
39,832	94,773	233,072	1,345,337	85,626	340,004	35,879	97,740	129,579	696,013	5,292,000	183,106,000	2.9
5,198	90	(12,357)	211,005	23,915	12,092	294	9,021	29,098	156,000	437,395	179,806,000	.2
43,628	39,886	908,500	426,392	103,524	156,987	22,891	62,873	101,962	526,727	10,367,000	19,756,000	52.5
48,826	39,976	896,143	637,397	127,439	169,079	23,185	71,894	131,060	682,727	10,804,395	199,562,000	5.4
3,156	0	697,853	92,784	148,869	15,377	1,332	11,227	291,100	175,427	1,521,980	242,084,000	.6
15,948	37,186	1,236,300	239,100	396,959	165,926	7,512	81,981	214,400	131,625	24,525,012	35,631,000	68.8
19,104	37,186	1,934,153	331,884	545,828	181,303	8,844	93,208	505,500	307,052	26,046,992	277,715,000	9.4
2,284	0	386,700	41,900	51,900	7,600	0	10,109	(C)	157,906	685,000	251,856,000	.3
5,769	3,826	894,800	148,500	232,300	137,700	507	49,790	(C)	122,396	10,653,000	21,024,000	50.7

0	0	0	0	0	0	0	0	0	0	0	70,197,000	0	
0	0	0	(Included with Other)		225,000	0	0	0	336,000	561,000	9,209,000	6.1	
0	0	0	" " "		225,000	0	0	0	336,000	561,000	79,406,000	.7	
0	0	0	" " "		8,752	0	0	0	69,052	77,804	100,696,000	.1	
0	0	0	" " "		157,390	0	0	0	437,522	594,912	10,918,000	5.4	
0	0	0	" " "		166,142	0	0	0	506,574	672,716	111,614,000	.6	
0	0	14,669	38,993	12,048	13,715	0	0 (Included with Other)		8,480	87,905	115,952,000	.1	
11,000	0	254,126	1,201,481	27,255	150,396	0	0 " "		144,837	1,889,095	8,963,000	21.1	
11,000	0	268,795	1,240,474	39,303	164,111	0	0 " " "		153,317	1,977,000	124,915,000	1.6	
0	0	129,102	336,136	41,911	8,593	0	0 " " "		58,575	574,317	132,118,000	.4	
03,000	0	264,663	1,447,014	52,550	277,952	0	0 " " "		515,504	2,860,683	11,525,000	24.8	
03,000	0	393,765	1,783,150	94,461	286,545	0	0 " " "		574,079	3,435,000	143,643,000	2.4	
0	0	178,017	374,708	57,761	3,141	0	0 " " "		138,046	751,673	177,427,000	.4	
43,000	0	849,830	1,486,789	514,717	316,594	0	46,000 " " "		281,522	3,738,452	14,594,000	25.6	
43,000	0	1,027,847	1,861,497	572,478	319,735	0	46,000 " " "		419,568	4,490,125	192,021,000	2.3	
0	0	125,000	119,000	30,000	24,000	0	0	18,000	166,000	482,000	166,885,000	.3	
40,000	0	1,350,000	1,170,000	185,000	294,000	0	90,000	119,000	412,000	4,260,000	14,768,000	28.9	
40,000	0	1,475,000	1,289,000	215,000	318,000	0	90,000	137,000	578,000	4,742,000	181,653,000	2.6	
12,481	0	19,430	294,652	30,721	5,805	0	5,004	4,905	286,124	698,000	176,783,000	.4	
88,519	14,000	936,570	1,485,348	186,279	501,195	23,000	74,996	82,095	430,876	6,094,000	15,454,000	39.4	
01,000	14,000	956,000	1,780,000	217,000	507,000	23,000	80,000	87,000	717,000	6,792,000	192,237,000	3.5	
14,925	374	19,212	462,570	22,284	9,316	4,220	6,780	20,553	317,359	902,724	170,914,000	.5	
24,907	94,399	213,860	882,767	63,342	330,688	31,659	90,960	109,026	378,654	4,389,276	12,192,000	36.0	
39,832	94,773	233,072	1,345,337	85,626	340,004	35,879	97,740	129,579	696,013	5,292,000	183,106,000	2.9	
5,198	90	(12,357)	211,005	23,915	12,092	294	9,021	29,098	156,000	437,395	179,806,000	.2	
43,628	39,886	908,500	426,392	103,524	156,987	22,891	62,873	101,962	526,727	10,367,000	19,756,000	52.5	
48,826	39,976	896,143	637,397	127,439	169,079	23,185	71,894	131,060	682,727	10,804,395	199,562,000	5.4	
3,156	0	697,853	92,784	148,869	15,377	1,332	11,227	291,100	175,427	1,521,980	242,084,000	.6	
15,948	37,186	1,236,300	239,100	396,959	165,926	7,512	81,981	214,400	131,625	24,525,012	35,631,000	68.8	
19,104	37,186	1,934,153	331,884	545,828	181,303	8,844	93,208	505,500	307,052	26,046,992	277,715,000	9.4	
2,394	0	386,700	41,900	51,900	7,600	0	10,100	(C)	157,906	685,000	251,856,000	.3	
5,769	3,826	894,800	148,500	232,300	137,700	507	49,700	(C)	122,398	10,653,000	21,024,000	50.7	
8,163	3,826	1,281,500	190,400	284,200	145,300	507	59,800	(C)	280,304	11,338,000	272,880,000	4.2	
0	0	278,800	11,500	29,300	3,600	0	13,200	(C)	72,600	421,900	162,702,000	.3	
0	0	961,300	36,700	286,600	72,300	0	39,100	(C)	87,500	3,903,100	8,896,000	43.9	
0	0	1,240,100	48,200	315,900	75,900	0	52,300	(C)	160,100	4,325,000	171,598,000	2.5	
38,154	464	1,836,426	1,983,248	448,709	111,991	5,846	55,332	363,656	1,605,569	6,640,698	2,135,204,000	.3	
75,771	189,297	7,869,949	8,524,091	2,048,826	3,286,128	85,569	535,610	626,483	3,805,165	74,335,530	232,588,000	32.0	
13,925	189,761	9,706,375	10,507,339	2,497,235	3,398,119	91,415	590,942	990,139	5,410,734	80,976,228	2,367,792,000	3.4	
.119	.008	.410	.444	.105	.144	.004	.025	.042	.228	3.420			

e equipment.

4,000 in 1980 and $583,200 in 1981 were not classified as Special Commercial Products.

EXHIBIT A-110

fits on Sales of New A. T. & T. Instruments, 1916 to 1926, Inclusive

(Dollars in Thousands)

	Sales	Net profits on sales before deducting Federal taxes	Per cent net profits to sales before Federal taxes	Federal taxes	Net profits after deducting Federal taxes	Per cent net profits to sales
	$5,262	$1,043	19.8	$141	$902	17.2
	5,017	624	12.4	85	539	10.8
	4,900	975	19.9	117	858	17.5
	4,496	698	15.5	79	619	13.8
	4,343	894	20.6	112	788	18.0
	4,598	1,064	23.1	106	958	20.8
	3,853	606	15.7	61	545	14.1
	2,530	(187)	(7.4)	0	(187)	(7.4)
	2,230	124	5.6	15	109	4.9
	2,421	423	17.5	31	392	16.2
	2,201	180	8.2	4	176	8.0
	$41,851	$6,444	15.4	751	$5,693	13.6

EXHIBIT A-111

ines Department of Total Associated Operating Companies, Long Lines Department and Bell Telephone Company of Canada

	Long Lines	Total associated operating companies long lines and Bell Tel. Co. of Canada	% Long Lines of Total
	Exchange and Toll Lines		
923	$86,384,442	$998,121,193	8.7
924	100,136,957	1,094,114,581	9.2
925	109,001,640	1,211,085,689	9.0
926	115,095,564	1,328,182,792	8.7
927	135,993,922	1,456,049,780	9.3
928	158,850,559	1,552,488,595	10.2
929	193,597,835	1,703,305,492	11.4
930	256,037,716	1,939,859,716	13.2
931	286,544,602	2,046,332,918	14.0
	Central Office Equipment		
923	$13,860,277	$353,715,709	3.9
924	17,547,735	453,652,736	3.9
925	20,999,405	577,190,066	3.6
926	26,008,678	673,073,831	3.9
927	33,661,393	753,939,243	4.5
928	44,590,008	823,227,892	5.4
929	53,081,575	888,102,943	6.0
930	71,994,364	986,286,782	7.3
931	84,025,601	1,071,330,966	7.8

[fol. 13807] Exhibit A-111—Page 2

	Long lines	Total associated operating companies long lines and Bell Tel. Co. of Can
	Plant in Service less Land and Buildings	
June 30, 1923	$105,488,250	$61,623,972,79
" " 1924	123,658,267	1,862,290,59
" " 1925	139,747,451	2,131,226,97
" " 1926	148,363,095	2,383,383,2
" " 1927	178,612,785	2,629,022,0
" " 1928	214,855,143	2,866,965,7
" " 1929	260,865,457	3,124,230,2
" " 1930	346,428,153	3,505,997,6
" " 1931	390,678,492	3,721,151,1
	Plant in Service	
June 30, 1931	$397,791,104	$4,194,639,7
	Source of Information	
Total Associated Operating Cos.	CR 64A	
Long Lines	M.R. 6	
Bell of Canada	M.R. 6	

(Here follow 2 photos, side folios 13808 and 13

(EXCLUDING LONG LINES) AND INCLUDING BELL TEL. CO. OF CANADA

	Ohio Bell Telephone Company	Total Associated Operating Companies and Bell Tel. Co. of Canada	% Ohio Bell Tel. Co. of Total
Exchange and Toll Lines			
June 30, 1923	$ 50,937,542	$ 911,756,751	5.6
" " 1924	51,911,030	993,977,624	5.2
" " 1925	54,292,347	1,102,084,049	4.9
" " 1926	58,247,893	1,213,087,227	4.8
" " 1927	61,025,568	1,320,055,858	4.6
" " 1928	64,509,049	1,393,638,036	4.6
" " 1929	69,759,083	1,509,707,657	4.6
" " 1930	77,873,641	1,685,822,000	4.6
" " 1931	79,312,567	1,759,788,316	4.5
Central Office Equipment			
June 30, 1923	$ 13,509,251	$ 339,855,432	4.0
" " 1924	15,995,110	436,105,001	3.7
" " 1925	18,078,774	556,190,661	3.3
" " 1926	20,723,817	647,065,153	3.2
" " 1927	23,620,684	720,277,850	3.3
" " 1928	27,416,480	778,637,884	3.5
" " 1929	30,291,088	835,021,368	3.6
" " 1930	34,967,019	914,292,418	3.8
" " 1931	37,147,481	987,305,365	3.8
Plant in Service Less Land and Buildings			
June 30, 1923	$ 77,637,551	$1,518,484,542	5.1
" " 1924	81,978,577	1,738,632,330	4.7
" " 1925	87,181,407	1,994,479,520	4.4
" " 1926	94,995,510	2,235,020,198	4.3
" " 1927	102,369,837	2,450,409,294	4.2
" " 1928	112,745,127	2,652,110,593	4.3
" " 1929	123,064,759	2,863,364,652	4.3
" " 1930	137,781,471	3,189,569,500	4.4
" " 1931	142,284,630	3,330,477,679	4.3
Plant in Service			
June 30, 1931	$164,033,953	$3,796,848,648	4.3
Company Stations			
June 30, 1931	700,330	16,267,882	4.3

Source of Information	Exch. and Toll Lines C.O. Equip. Plant in Service and Plant in Service Less Land and Buildings	Company Stations
Total Assoc. Oper. Cos.	CR 64A	CR 51A
Bell Tel. Co. of Canada	M.R. 6	M.R. 1
Ohio Bell Telephone Company.	M.R. 6	M.R. 1

13808

EXHIBIT A-113-B

PER CENT OHIO BELL TELEPHONE COMPANY OF TOTAL ASSOCIATED OPERATING COMPANIES, INCLUDING LONG LINES AND BELL TELEPHONE COMPANY OF CANADA

PLANT IN SERVICE

	Ohio Bell Telephone Company	Total Associated Operating Companies Plus Long Lines and Bell Tel.Co.of Canada	% Ohio Bell Telephone Company of Total
June 30, 1923	$ 86,221,694	$1,785,892,407	4.8
June 30, 1924	90,381,045	2,054,099,512	4.4
June 30, 1925	96,416,702	2,361,575,372	4.1
June 30, 1926	105,748,925	2,657,226,222	4.0
June 30, 1927	118,121,007	2,940,006,674	4.0
June 30, 1928	129,839,538	3,199,368,308	4.1
June 30, 1929	141,672,792	3,504,655,454	4.0
June 30, 1930	159,732,696	3,938,948,405	4.1
June 30, 1931	164,033,953	4,194,639,752	3.9

[fols. 13810-13831] EXHIBIT A-115

Jewett Exhibit No. 2

Deductions from Analysis of Expense Statements and Similar Reports

		Deductions		
	Total expense D & R plus billing from W. E. Co. or B. T. L.	Transfers to other departments including patent	Non license expenses	Balance to be allocated
1923	$2,883,756	.....	*$717	$2,883,039
1924	3,121,360	.....	*1,084	3,120,276
1925	3,602,169	.....	*896	3,601,273
1926	4,336,825	$21,386	*421	4,314,518
1927	5,415,919	26,254	*150	5,389,515
1928	5,611,441	60,060	.....	5,551,381
1929	7,114,001	65,287	.....	7,048,714
1930	10,028,812	148,898	**261,647	9,618,267
1931	9,076,977	203,768	.....	8,873,209

* Engineering assistance to W. E. Co.

** Expense for work for E. R. P. I.

[fol. 13833]

EXHIBIT A-116

Jewett Exhibit No. 3

Maximum Amount of D & R Expenses Allocable to Non-Bell Sales of W. E. Co. (Excluding Special Commercial Products)

	Western Electric Sales Divided (Dollars in Thousands) (Excluding Special Commercial Products) 1 Bell Customers	2 Non-Bell	3 Percentage Non-Bell		4 D & R Expense from Exhibits 1 & 2		5 Credit Account Western's Benefit (Non-Bell) 4 x 3
1923							
Telephone Apparatus	$107,715	$6,027	5.3%		$2,855,483		$151,000
Lead Covered Cable	23,829	2,637	10.0		27,556		2,700
				Total	2,883,039	Total	153,700
1924							
Telephone Apparatus	142,449	7,273	4.9		3,078,429		151,000
Lead Covered Cable	34,226	3,583	9.5		41,847		4,000
				Total	3,120,276	Total	155,000
1925							
Telephone Apparatus	126,311	7,388	5.5		3,549,440		195,000
Lead Covered Cable	40,092	3,120	7.2		51,833		3,700
				Total	3,601,273	Total	198,700
1926							
Telephone Apparatus	133,382	5,816	4.2		4,235,239		178,000
Lead Covered Cable	42,703	3,544	7.7		79,279		6,100
				Total	4,314,518	Total	184,100
1927							
Telephone Apparatus	132,235	5,269	3.8		5,315,606		202,000
Lead Covered Cable	37,776	2,534	6.3		73,909		4,700
				Total	5,389,515	Total	206,700

[fol. 13833]

1928							
Telephone Apparatus	136,030	6,648	4.7		5,479,105		258,000
Lead Covered Cable	43,330	2,741	5.9		72,276		4,300
				Total	5,551,381	Total	262,300
1929							
Telephone Apparatus	176,647	8,063	4.4		6,968,850		307,000
Lead Covered Cable	63,915	3,043	4.5		79,864		3,600
				Total	7,048,714	Total	310,600
1930							
Telephone Apparatus	194,443	7,385	3.7		9,489,926		351,000
Lead Covered Cable	56,728	2,986	5.0		128,341		6,400
				Total	9,618,267	Total	357,400
1931							
Telephone Apparatus	140,701	3,503	2.4		8,783,071		210,000
Lead Covered Cable	21,579	1,490	6.5		120,138		7,900
				Total	8,873,209	Total	217,900

[fol. 13834]

(Jewett)

EXHIBIT A-117-B

Fair Share of D. & R. Expense Allocable to Ohio Bell Telephone Company

Year	1. D. & R. Expense Exhibit 2	2. *Credit account Western's benefit (Non-Bell)	3. 1-2 D. & R. expense applicable to Associated Cos. (incl. Canada) and Long Lines	4. Per cent Ohio Bell Tel. Co. is of Associated Cos. (incl. Canada) plus Long Lines plant in service	5. 4 x 3 Expense allocated to Ohio Bell Tel. Co.
1923	$2,883,039	$153,700	$2,729,339	4.8	$131,000
1924	3,120,276	155,000	2,965,276	4.4	130,000
1925	3,601,273	198,700	3,402,573	4.1	140,000
1926	4,314,518	184,100	4,130,418	4.0	165,000
1927	5,389,515	206,700	5,182,815	4.0	207,000
1928	5,551,381	262,300	5,289,081	4.1	217,000
1929	7,048,714	310,600	6,738,114	4.0	270,000
1930	9,618,267	357,400	9,260,867	4.1	380,000
1931	8,873,209	217,900	8,655,309	3.9	338,000

* From Exhibit #3.

[fol. 13835] EXHIBIT A-118-B

EXHIBIT A-118-B

ALLOCATION OF D. & E. DEPARTMENT EXPENSES IN LICENSE SERVICES
AS BETWEEN
LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA)
AND
ALLOCATION TO OHIO BELL TELEPHONE COMPANY
OF
ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

December 9, 1932

	YEAR 1923		*Total D. & E. Including W. E. Co.	Per Cent Long Lines is of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (Incl. Canada)	Per Cent Ohio Bell is of Associated Companies (incl. Canada)	Expense Allocated to Ohio Bell
	LOCAL CENTRAL OFFICE EQUIPMENT	Panel Machine Switching	$ 188,429					
		Step-by-Step Machine Switching	225,778					
		Fundamental Development Machine Switching	86,808					
		Equipment Editing Engineering	-					
		Manual Central Office Equipment	66,474					
		General	17,943	(Central Office			(Central Office	
		TOTAL	580,382	3.9% Equipment)	$ 21,864	$ 538,498	4.0% Equipment)	$ 21,540
	TOLL CENTRAL OFFICE EQUIPMENT	Switchboards and Desks	304					
		Manual Switchboard Circuits and Apparatus	34,134					
		Machine Switching	1,787					
		Signaling	15,988					
		Test Boards and Testing Equipment	7,871	(Central Office			(Central Office	
		TOTAL	60,180	3.9% Equipment)	2,346	57,775	4.0% Equipment)	2,311
	PRIVATE BRANCH EXCHANGES	Manual	17,944					
		Machine Switching	51,166					
		Power	1,133					
		Fundamental	1,291	(Central Office			(Central Office	
		TOTAL	71,534	3.9% Equipment)	2,790	68,744	4.0% Equipment)	2,760
	SUBSTATION EQUIPMENT	A. T. & T. Co.'s Instruments	6,701					
		Substation Sets	18,619					
		Operators' Sets	2,781					
		Other Equipment	29,223					
		Maintenance	6,116				(Company	
		TOTAL	63,440	0%	-	63,440	4.7% Stations)	2,982
	TELEPHONE TRANSMISSION OVER WIRES EQUIPMENT AND METHODS	Repeaters	128,638					
		Carrier Telephone	100,648					
		Vacuum Tubes	188,684					
		Loading	30,198					
		Cross Induction	68,312					
		Local Circuits	80,888					
		Transformers	7,084					
		Toll Line Transmission Maintenance	8,804					
		General	41,763					
		TOTAL	683,708					
	TELEGRAPH TRANSMISSION OVER WIRES EQUIPMENT AND METHODS	Direct Current Metallic Telegraph	23,866					
		Direct Current Grounded Telegraph	18,910					
		Carrier Telegraph	79,081					
		Low Frequency A-C. Telegraph	140,885	(Plant in			(Plant in	
		Printing Telegraph	88,010	6.0% Service)	76,834	2,003,728	3.1% Service)	61,390
		Ocean Cable Telegraph	-					
		Relays and General Apparatus and Matters	18,188					
		TOTAL	298,368					
	RADIO	Systems	23,610					
		Fundamental Development	213,864					
		Radio Repeaters	-					
		Signaling	4,564					
		Apparatus and Equipment	60,377					
		U.S. Government	-					
		Radio Regulations and Outside Relations	-					
		General	82,075					
		TOTAL	404,508					
	OUTSIDE PLANT	Materials	118,509					
		Cables	27,886					
		Apparatus	30,804					
		General	9,344					
		Methods Development	2,310	(Exchange and			(Exchange and	
		TOTAL	187,943	8.7% Toll Lines)	16,388	171,861	5.6% Toll Lines)	9,609
	PROTECTION	Central Office	1,388					
		Substation	1,443					
		Cable	4,361	(Plant in Service			(Plant in Service	
		General	1,943	Less Land and			Less	
		TOTAL	9,188	6.6% Buildings)	896	8,858	5.1% Land and Buildings)	436
	INTERFERENCE PREVENTION	Negotiations and Cooperation with Government Representatives, National Societies, etc.	13,807					
		Inductive Interference from Power Circuits	88,088					
		Interference from Electric Railroads	14,268					
		Hazards	457					
		Electrolysis	4,888					
		Interference from Radio	76					
		General	14,888	(Exchange and			(Exchange and	
		TOTAL	137,888	8.7% Toll Lines)	11,970	138,611	5.0% Toll Lines)	7,034
	FUNDAMENTAL RESEARCH	Contact Study	-					
		Magnetic Iron Study	-					
		Telephone Quality Study	81,307					
		Paper Study for Cable	83					
		Transmission Theory	16,618					
		Non-Linear Circuit Elements	-	(Plant in Service			(Plant in Service	
		General	18,243	Less Land and			Less Land and	
		TOTAL	134,848	6.6% Buildings)	7,426	106,819	5.1% Buildings)	5,448
	LICENSE CONTRACT SERVICES	Testimony	19,788	0%	-	19,788	5.1% "	1,008
	CONSOLIDATIONS	TOTAL	14,179	0%	-	14,179	5.1% "	723
	SPECIAL SERVICES	Loud Speakers	72,777					
		Fire Broadcasting	88,888	(Plant in Service			(Plant in Ser-	
		General	68,814	Less Land and			vice Less Land	
		TOTAL	288,818	6.6% Buildings)	14,878	211,128	and Buildings)	10,788
	MISCELLANEOUS	Cuba Cable	Cr. 1,009					
		Patents and Inventions	16,858					
		Special Work in Connection with Legal Cases	14,678					
		General Data for Guiding Development Work	18,979	(Plant in Service			(Plant in Service	
		General	**78,860	Less Land and			Less Land	
		TOTAL**	128,344	6.6% Buildings)	8,992	128,384	and Buildings)	6,597
		GRAND TOTAL**	$2,883,038		$143,836	$2,719,903		$ 132,596

* Sum of charges for 12 months appearing on Charts Nos. II and III for year 1923.
** Non-license deduction $717.

13836

ALLOCATION OF L. D. & T. [illegible] TO [illegible]
LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA)
AND
ALLOCATION TO OHIO BELL TELEPHONE COMPANY
OF
ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

	YEAR 1934		*Total D. & M. (Including [illegible])	Per Cent Long Lines Is of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (Incl. Canada)	Per Cent Ohio Bell Is of Associated Companies (Incl. Canada)	Expense Allocated to Ohio Bell
LOCAL CENTRAL OFFICE EQUIPMENT		Panel Machine Switching	$ 168,235					
		Step-by-Step Machine Switching	89,640					
		Fundamental Development Machine Switching	49,046					
		Equipment Editing Engineering	-					
		Manual Central Office Equipment	84,050					
		General	14,747					
		TOTAL	382,718	3.9% (Central Office Equipment)	$ 14,926	$ 367,792	3.7% (Central Office Equipment)	$ 13,608
TOLL CENTRAL OFFICE EQUIPMENT		Switchboards and Desks	316					
		Manual Switchboard Circuits and Apparatus	37,896					
		Machine Switching	5,372					
		Signaling	23,843					
		Test Boards and Testing Equipment	18,174					
		TOTAL	85,332	3.9% (Central Office Equipment)	3,328	82,011	3.7% (Central Office Equipment)	3,034
PRIVATE BRANCH EXCHANGE		Manual	22,508					
		Machine Switching	15,180					
		Power	1,808					
		Fundamental	416					
		TOTAL	39,703	3.9% (Central Office Equipment)	1,548	38,155	3.7% (Central Office Equipment)	1,412
SUBSTATION EQUIPMENT		A. T. & T. Co.'s Instruments	18,434					
		Substation Sets	25,467					
		Operators' Sets	1,748					
		Other Equipment	22,013					
		Maintenance	17,083					
		TOTAL	84,745	0%		84,745	4.5% (Company Stations)	3,814
TELEPHONE TRANSMISSION OVER WIRES EQUIPMENT AND METHODS		Repeaters	65,919					
		Carrier Telephone	132,935					
		Vacuum Tubes	207,493					
		Loading	37,794					
		Cross Induction	66,569					
		Local Circuits	39,853					
		Transformers	8,301					
		Toll Line Transmission Maintenance	10,107					
		General	6,110					
		TOTAL	595,129					
TELEGRAPH TRANSMISSION OVER WIRES EQUIPMENT AND METHODS		Direct Current Metallic Telegraph	20,346					
		Direct Current Grounded Telegraph	23,281	6.1% (Plant in Service)	84,233	1,294,430	4.7% (Plant in Service)	60,948
		Carrier Telegraph	89,365					
		Low Frequency A.C. Telegraph	46,097					
		Printing Telegraph	19,582					
		Ocean Cable Telegraph	-					
		Relays and General Apparatus and Matters	13,325					
		TOTAL	211,367					
RADIO		Systems	39,527					
		Fundamental Development	262,088					
		Radio Repeaters	-					
		Signaling	-					
		Apparatus and Equipment	63,395					
		U.S. Government	-					
		Radio Regulations and Outside Relations	9,016					
		General	199,850					
		TOTAL	573,876					
OUTSIDE PLANT		Materials	145,641					
		Cable	41,847					
		Apparatus	28,375					
		General	11,569					
		Methods Development	1,774					
		TOTAL	229,206	9.2% (Exchange and Toll Lines)	21,087	208,119	5.2% (Exchange and Toll Lines)	10,822
PROTECTION		Central Office	2,141					
		Substation	4,803					
		Cable	6,334	(Plant in Service Less Land and			(Plant in Service Less Land and	
		General	995					
		TOTAL	14,273	6.6% Buildings)	929	13,144	4.7% Buildings)	618
INTERFERENCE PREVENTION		Negotiations and Cooperation with Government Representatives, National Societies, etc.	12,166					
		Inductive Interference from Power Circuits	146,089					
		Interference from Electric Railroads	22,098					
		Hazards	118					
		Electrolysis	6,012					
		Interference from Radio	96					
		General	41					
		TOTAL	186,617	9.2% (Exchange and Toll Lines)	17,160	169,448	5.2% (Exchange and Toll Lines)	8,811
SPECIAL RESEARCH PROJECTS		Contact Study	-					
		Magnetic Iron Study	-					
		Telephone Quality Study	85,722					
		Paper Study for Cable	-					
		Transmission Theory	11,496					
		Nonlinear Circuit Elements	-					
		General	27,294	(Plant in Service Less Land and			(Plant in Service Less Land and	
		TOTAL	124,502	6.6% Buildings)	8,217	116,285	4.7% Buildings)	5,462
RATE CASE TESTIMONY		TOTAL	29,930	0%	-	29,930	4.7% "	1,407
CONSOLIDATIONS		TOTAL	12,900	0%	-	12,900	4.7% "	606
NEW TYPES OF SERVICES		Loud Speakers	82,743					
		Wire Broadcasting	79,806					
		Photoelectrography	188,682	(Plant in Service Less Land and			(Plant in Service Less Land and	
		General	25,947					
		TOTAL	$ 380,179	6.6% Buildings)	24,367	344,830	4.7% Buildings)	16,207
MISCELLANEOUS		Patents and Inventions	18,256					
		Special Work in Connection with Legal Cases	1,000					
		General Data for Guiding Development Work	24,000					
		General	92,135,792	(Plant in Service Less Land and			(Plant in Service Less Land and	
		TOTAL	92,180,048	6.4% Buildings)	11,911	168,563	4.7% Buildings)	7,922
		GRAND TOTAL	$2,930,570		$ 187,715	$ 2,938,861		$ 134,668

*Sum of charges for 12 months appearing on Charts Sec. II and III for year 1934.
Patent-license deduction - $1,084.

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December 9, 1926

LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA)

ALLOCATION TO LONG LINES TELEPHONE CAPITAL

ITS FAIR SHARE OF A-ME ASSOCIATED COMPANY EARNINGS

	YEAR 1925	*Total D. & R. Including W. E. Co.	Per Cent Long Lines is a of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (incl. Canada)	Per Cent Ohio Bell is of Associated Companies (incl. Canada)	Expense Allocated to Ohio Bell
LOCAL CENTRAL OFFICE EQUIPMENT	Panel Machine Switching	$ 165,178					
	Step-by-Step Machine Switching	68,512					
	Fundamental Development Machine Switching	73,120					
	Equipment Editing Engineering	-					
	Manual Central Office Equipment	106,830					
	General	31,158					
	TOTAL	444,818	3.6% (Central Office Equipment)	$ 16,013	$ 488,806	3.3% (Central Office Equipment)	14,151
TOLL CENTRAL OFFICE EQUIPMENT	Switchboards and Desks	248					
	Manual Switchboard Circuits and Apparatus	37,986					
	Machine Switching	19,413					
	Signaling	25,131					
	Test Boards and Testing Equipment	23,244					
	TOTAL	106,996	3.6% (Central Office Equipment)	3,816	102,171	3.3% (Central Office Equipment)	3,372
PRIVATE BRANCH EXCHANGES	Manual	18,362					
	Machine Switching	13,750					
	Power	2,666					
	Fundamental	2,108					
	TOTAL	36,886	3.6% (Central Office Equipment)	1,328	38,868	3.3% (Central Office Equipment)	1,173
SUBSTATION EQUIPMENT	A. T. & T. Co.'s Instruments	31,984					
	Substation Sets	25,560					
	Operators' Sets	5,370					
	Other Equipment	35,906					
	Maintenance	17,519					
	TOTAL	114,319	0%		114,319	4.3% (Company Stations)	4,916
TELEPHONE TRANSMISSION OVER WIRES EQUIPMENT AND METHODS	Repeaters	72,807					
	Carrier Telephone	126,481					
	Vacuum Tubes	227,764					
	Loading	42,893					
	Cross Induction	74,455					
	Local Circuits	11,716					
	Transformers	8,176					
	Toll Line Transmission Maintenance	14,412					
	General	54,260					
	TOTAL	632,601					
TELEGRAPH TRANSMISSION OVER WIRES EQUIPMENT AND METHODS	Direct Current Metallic Telegraph	22,796	6.9% (Plant in Service)	$6,381	1,820,781	4.3% (Plant in Service)	65,359
	Direct Current Grounded Telegraph	36,852					
	Carrier Telegraph	82,244					
	Low Frequency A.C. Telegraph	36,273					
	Printing Telegraph	47,406					
	Ocean Cable Telegraph	-					
	Relays and General Apparatus and Matters	8,729					
	TOTAL	232,293					
RADIO	Systems	-					
	Fundamental Development	24,708					
	Radio Repeaters	318,160					
	Signaling	-					
	Apparatus and Equipment	-					
	U. S. Government	83,337					
	Radio Regulations and Outside Relations	-					
	General	20,591					
	TOTAL	304,422					
OUTSIDE PLANT	Materials	781,218					
	Cables	183,795					
	Apparatus	51,833					
	General	30,360					
	Methods Development	7,374					
	TOTAL	3,774					
PROTECTION	Central Office	277,126	9.0% (Exchange and Toll Lines)	24,941	252,186	4.9% (Exchange and Toll Lines)	12,357
	Substation	504					
	Cable	1,418					
	General	7,383					
	TOTAL	4,796	(Plant in Service Less Land and			(Plant in Service Less Land and	
		14,181	6.4% Buildings)	908	13,273	4.4% Buildings)	584
INTERFERENCE PREVENTION	Negotiations and Cooperation with Government Representatives, National Societies, etc.	-					
	Inductive Interference from Power Circuits	10,143					
	Interference from Electric Railroads	163,916					
	Hazards	23,947					
	Electrolysis	56					
	Interference from Radio	8,277					
	General	363					
	TOTAL	206,702	9.0% (Exchange and Toll Lines)	18,603	188,099	4.9% (Exchange and Toll Lines)	9,217
SPECIAL RESEARCH PROBLEMS	Contact Study	-					
	Magnetic Iron Study	-					
	Telephone Quality Study	122,768					
	Paper Study for Cable	-					
	Transmission Theory	4,848					
	Non-Linear Circuit Elements	-					
	General	27,953	(Plant in Service Less Land and			(Plant in Service Less Land and	
	TOTAL	155,566	6.4% Buildings)	9,956	148,610	4.4% Buildings)	6,407
RATE CASE TESTIMONY	TOTAL	42,251	0%	-	42,251	4.4% "	1,859
CONSOLIDATIONS	TOTAL	8,067	0%	-	8,067	4.4% "	354
NEW TYPES OF SERVICES	Loud Speakers	48,873					
	Wire Broadcasting	79,894					
	Phototelegraphy	231,288					
	General	63,669	(Plant in Service Less Land and			(Plant in Service Less Land and	
	TOTAL	423,724	6.4% Buildings)	27,118	396,606	4.4% Buildings)	17,451
MISCELLANEOUS	Patents and Inventions	22,905					
	Special Work in Connection with Legal Cases	68					
	General Data for Guiding Development Work	18,917	(Plant in Service Less Land and			(Plant in Service Less Land and	
	General	**115,033					
	TOTAL	**156,500	6.4% Buildings)	9,962	146,554	4.4% Buildings)	6,404
	GRAND TOTAL	**33,001,273		$ 207,984	$3,393,287		$ 143,640

* Figures from Chart I for year 1925.
** Non-License Deduction $896.

13838

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ALLOCATION OF D. & R. EXPENDITURES IN LICENSED SERVICES
AS BETWEEN
LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA)
AND
ALLOCATION TO OHIO BELL TELEPHONE COMPANY
OF
ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

December 29, 1936
2 Sheets - Sheet #2

YEAR 1926	Total D. & R. Including B.T.L.	Per Cent Long Lines Is of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (Incl. Canada)	Per Cent Ohio Bell Is of Associated Companies (Incl. Canada)	Expense Allocated to Ohio Bell
1. CENTRAL OFFICE SYSTEMS AND APPARATUS						
LOCAL MANUAL EQUIPMENT & CIRCUITS	$ 43,042					
MANUAL APPARATUS	3,990					
TOTAL MANUAL						
PANEL MACH SW EQUIPMENT & CIRCUITS	79,354					
PANEL MACH SW APPARATUS	40,937					
TOTAL PANEL MACHINE SWITCHING						
STEP BY STEP MACH SW EQUIPMENT & CIRCUITS	55,076					
STEP BY STEP MACH SW APPARATUS	16,013					
TOTAL STEP BY STEP MACH SW						
OTHER MACH SW EQUIPMENT & CIRCUITS	4,426					
OTHER MACH SW APPARATUS	-					
TOTAL OTHER MACHINE SWITCHING						
TOLL EQUIPMENT & CIRCUITS	134,393					
P B X EQUIPMENT & CIRCUITS	29,744					
POWER EQUIPMENT	88,078					
TESTING & MAINTENANCE EQUIPMENT & APPARATUS	74,967					
ENGINEERING ON EQUIPMENT ORDERS	-					
FUNDAMENTAL STUDIES (A T & T CO ONLY)	70,738					
MISCELLANEOUS	95,699	(Central Office			(Central Office	
TOTAL CLASS 1	676,448	3.9% Equipment)	$ 26,381	$650,067	3.2% Equipment	$ 20,802
2. SUBSTATION EQUIPMENT	51,337	0%	-	51,337	(Company 4.2% Stations)	2,156
3. OUTSIDE PLANT	310,798	(Exchange and 8.7% Toll Lines)	27,039	283,759	(Exchange and 4.8% Toll Lines)	13,620
4. TRANSMITTERS, RECEIVERS AND INDUCTION COILS						
TRANSMISSION AND RECEPTION OF SPEECH	40,162					
APPARATUS	66,031				(Company	
TOTAL	106,193	0%	-	106,193	4.2% Stations)	4,460
5. WIRE TRANSMISSION SYSTEMS						
VOICE FREQUENCY TELEPHONE EQUIPMENT & CIRCUITS	149,796					
CARRIER TELEPHONE EQUIPMENT & CIRCUITS	200,077					
CARRIER TELEGRAPH EQUIPMENT & CIRCUITS	82,055					
D C TELEGRAPH EQUIPMENT	123,956					
SUBMARINE CABLE TELEGRAPH EQUIPMENT	-					
CROSS INDUCTION STUDIES (A T & T CO ONLY)	106,821					
TOLL TRANSMISSION MAINTENANCE STUDIES (A T & T CO ONLY)	25,084					
PICTURE TRANSMISSION	181,220					
WIRE BROADCASTING	41,163					
TELEVISION	33,480					
GENERAL	89,581					
TOTAL	1,003,173					
		(Plant in			(Plant in	
		5.7% Service)	129,582	2,143,794	4.2% Service)	90,039
6. RADIO TRANSMISSION SYSTEMS						
SHIP TO SHORE	4,092					
TRANSATLANTIC	499,631					
BROADCASTING	25,596					
SHORT WAVE	237,914					
OTHER RADIO TRANSMITTING SYSTEMS	35,607					
OTHER RADIO RECEIVING SYSTEMS	30,951					
RADIO REGULATIONS & OUTSIDE RELATIONS (A T & T CO ONLY)	14,203					
GENERAL	33,083					
TOTAL	890,077					
7. GENERAL TRANSMISSION APPARATUS						
VACUUM TUBES	312,793					
LOADING COILS	22,473					
PHOTO ELECTRIC CELL	27,213					
TESTING APPARATUS	2,281					
TRANSMITTERS AND RECEIVERS FOR SPECIAL USE	4,442					
OTHER TRANSMISSION APPARATUS	10,924					
TOTAL	380,126					
8. OTHER COMMUNICATION SYSTEMS & APPARATUS						
PUBLIC ADDRESS & LOUD SPEAKING SYSTEMS	-					
TRAIN DISPATCHING & SUPERVISORY SYSTEMS	-					
POWER LINE CARRIER	-					
APPARATUS FOR THE HARD OF HEARING	-					
ELECTRICAL STETHOSCOPE	-					
PHONOGRAPH RECORDING DISC	-					
PHONOGRAPH REPRODUCTION ELECTRICAL	-					
PHONOGRAPH RECORDING PHOTOGRAPHIC	8,036					
PHONOGRAPH REPRODUCTION ACOUSTIC	-					
SYNCHRONIZED TALKING PICTURES	7,052					
ELECTRICAL DICTATION	-	(Plant in Service			(Plant in Service	
MISCELLANEOUS SCIENTIFIC APPARATUS	-	Less Land and			Less Land and	
TOTAL	15,088	6.2% Buildings)	935	14,153	4.3% Buildings)	609

13839

ALLOCATION OF D. & R. DEPARTMENT EXPENSES IN LICENSE SERVICES AS BETWEEN LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA) AND ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

December 8, 1928
2 Sheets - Sheet 2

YEAR 1926	Total D. & R. Including B.T.L.	Per Cent Long Lines Is of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (Incl. Canada)	Per Cent Ohio Bell Is of Associated Companies (incl. Canada)	Expense Allocated to Ohio Bell
9. LEAD COVERED CABLE	$ 79,279	8.7% (Exchange and Toll Lines)	$ 6,897	$72,382	4.8% (Exchange and Toll Lines)	$ 3,474
10 SUBMARINE CABLE	-					
11 MATERIALS & PROCESSES	18,714	(Plant in Service Less Land and 6.2% Buildings)	1,160	17,554	(Plant in Service Less Land and 4.3% Buildings)	755
12 RESEARCH & DEVELOPMENT OF GENERAL APPLICATION	-					
13 FUNDAMENTAL STUDIES APPLYING TO COMMUNICATION						
TELEPHONE QUALITY STUDIES (A T & T CO ONLY)	143,743					
TRANSMISSION THEORY A T & T CO ONLY)	30,768	(Plant in Service Less Land and			(Plant in Service Less Land and	
GENERAL A T & T CO ONLY)	44,369					
TOTAL	218,874	6.2% Buildings)	13,570	205,304	4.3% Buildings)	8,828
14 PATENT	21,386	(Not allocated)				
15 INSPECTION ENGINEERING	-					
16 RATE CASE TESTIMONY A T & T CO ONLY	29,560	0%	-	29,560	(Plant in Service Less Land and 4.3% Buildings)	1,272
17 INTERFERENCE PREVENTION AND PROTECTION						
NEGOTIATION AND COOPERATION WITH GOVT REPRESENT						
AT OTHER NATIONAL SOCIETIES ETC	4,101					
INDUCTIVE INTERFERENCE FROM POWER CIRCUITS	183,705					
INTERFERENCE FROM ELECTRIC RAILWAYS	110,612					
ELECTROLYSIS	2,830					
PROTECTIVE STUDIES	29,308					
GENERAL	812	(Exchange and			(Exchange and	
TOTAL	331,368	6.7% Toll Lines)	22,829	308,539	4.8% Toll Lines)	14,822
18 MISCELLANEOUS	*203,463	(Plant in Service 6.2% Less Land and Buildings)	12,615	190,848	(Plant in Service 4.3% Less Land and Buildings)	8,206
TOTAL						
TOTAL CLASSES 1-18 INCLUSIVE ALLOCATED	*$4,314,618		$247,009	$4,067,610		$168,743

*Non-License Deduction - $421.

13840

ALLOCATION OF D. & R. DEPARTMENT EXPENSES IN LICENSE SERVICES
AS BETWEEN
LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA)
AND
ALLOCATION TO OHIO BELL TELEPHONE COMPANY
OF
ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

December 4, 1948
2 Sheets - Sheet 2.

YEAR 1947	Total D. & R. Including B.T.L.	Per Cent Long Lines is of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (Incl. Canada)	Per Cent Ohio Bell is of Associated Companies (Incl. Canada)	Expense Allocated to Ohio Bell
1 CENTRAL OFFICE SYSTEMS AND APPARATUS						
LOCAL MANUAL EQUIPMENT & CIRCUITS	$ 49,015					
MANUAL APPARATUS	5,421					
TOTAL MANUAL						
PANEL MACH SW EQUIPMENT & CIRCUITS	86,743					
PANEL MACH SW APPARATUS	41,712					
TOTAL PANEL MACHINE SWITCHING						
STEP BY STEP MACH SW EQUIPMENT & CIRCUITS	44,089					
STEP BY STEP MACH SW APPARATUS	18,635					
TOTAL STEP BY STEP MACH SW						
OTHER MACH SW EQUIPMENT & CIRCUITS	9,155					
OTHER MACH SW APPARATUS	-					
TOTAL OTHER MACHINE SWITCHING						
TOLL EQUIPMENT & CIRCUITS	174,615					
P B X EQUIPMENT & CIRCUITS	26,108					
POWER EQUIPMENT	32,601					
TESTING & MAINTENANCE EQUIPMENT & APPARATUS	98,206					
ENGINEERING OR EQUIPMENT ORDERS	-					
FUNDAMENTAL STUDIES (A T & T CO ONLY)	62,684					
MISCELLANEOUS	180,331	(Central Office			(Central Office	
TOTAL CLASS 1	768,178	4.6% Equipment)	$ 34,668	$ 723,610	3.3% Equipment)	$ 24,209
2 SUBSTATION EQUIPMENT	83,169	0%	-	83,169	(Company 4.2% Stations)	3,493
3 OUTSIDE PLANT	437,156	(Exchange and 9.3% Toll Lines)	40,656	396,509	(Exchange and 4.6% Toll Lines)	18,239
4 TRANSMITTERS, RECEIVERS AND INDUCTION COILS						
TRANSMISSION AND RECEPTION OF SPEECH	39,945					
APPARATUS	82,083				(Company	
TOTAL	122,058	0%	-	122,058	4.2% Stations)	5,126
5 WIRE TRANSMISSION SYSTEMS						
VOICE FREQUENCY TELEPHONE EQUIPMENT & CIRCUITS	194,696					
CARRIER TELEPHONE EQUIPMENT & CIRCUITS	174,723					
CARRIER TELEGRAPH EQUIPMENT & CIRCUITS	82,127					
D C TELEGRAPH EQUIPMENT	107,331					
SUBMARINE CABLE TELEGRAPH EQUIPMENT	-					
CROSS INDUCTION STUDIES (A T & T CO ONLY)	107,663					
TOLL TRANSMISSION MAINTENANCE STUDIES (A T & T CO ONLY)	19,071					
PICTURE TRANSMISSION	146,546					
WIRE BROADCASTING	8,593					
TELEVISION	348,604					
GENERAL	111,319					
TOTAL	1,201,673					
6 RADIO TRANSMISSION SYSTEMS						
SHIP TO SHORE	38,204					
TRANSATLANTIC	386,984					
BROADCASTING	1,996	(Plant in			(Plant in	
SHORT WAVE	378,252	6.2% Service)	152,926	2,464,902	4.3% Service)	105,991
OTHER RADIO TRANSMITTING SYSTEMS	102,514					
OTHER RADIO RECEIVING SYSTEMS	91,026					
RADIO REGULATIONS & OUTSIDE RELATIONS (A T & T CO ONLY)	30,138					
GENERAL	54,145					
TOTAL	1,080,260					
7 GENERAL TRANSMISSION APPARATUS						
VACUUM TUBES	284,389					
LOADING COILS	22,649					
PHOTO ELECTRIC CELL	15,379					
TESTING APPARATUS	7,587					
TRANSMITTERS AND RECEIVERS FOR SPECIAL USE	38					
OTHER TRANSMISSION APPARATUS	16,013					
TOTAL	345,995					
8 OTHER COMMUNICATION SYSTEMS & APPARATUS						
PUBLIC ADDRESS & LOUD SPEAKING SYSTEMS	-					
TRAIN DISPATCHING & SUPERVISORY SYSTEMS	-					
POWER LINE CARRIER	-					
APPARATUS FOR THE HARD OF HEARING	-					
ELECTRICAL STETHOSCOPE	-					
PHONOGRAPH RECORDING - DISC	-					
PHONOGRAPH REPRODUCTION - ELECTRICAL	-					
PHONOGRAPH RECORDING - PHOTOGRAPHIC	7,008					
PHONOGRAPH REPRODUCTION - ACOUSTIC	-					
SYNCHRONIZED TALKING PICTURES	2,483					
ELECTRICAL DICTATION	-	(Plant in Service			(Plant in Service	
MISCELLANEOUS SCIENTIFIC APPARATUS	-	Less Land and			Less Land and	
TOTAL	9,491	6.8% Buildings)	645	8,846	4.3% Buildings)	372

13841

2848

ALLOCATION OF D. & R. EXPENSES AS BETWEEN LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA) AND ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

YEAR 1927	Total D. & E. Including B.T.L.	Per Cent Long Lines is of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (Incl. Canada)	Per Cent Ohio Bell is of Associated Companies (Incl. Canada)	Expense Allocated to Ohio Bell
9 LEAD COVERED CABLE	$ 73,908	9.3% (Exchange and Toll Lines)	$ 6,874	$ 67,034	4.6% (Exchange and Toll Lines)	$ 3,084
10 SUBMARINE CABLE	96,635	6.2% (Plant in Service)	5,991	90,644	4.3% (Plant in Service)	3,898
11 MATERIALS & PROCESSES	21,864	6.6% (Plant in Service Less Land and Buildings)	1,487	20,377	4.2% (Plant in Service Less Land and Buildings)	856
12 RESEARCH & DEVELOPMENT OF GENERAL APPLICATION	-					
13 FUNDAMENTAL STUDIES APPLYING TO COMMUNICATION						
TELEPHONE QUALITY STUDIES (A T & T CO ONLY)	139,436					
TRANSMISSION THEORY A T & T CO ONLY	30,909					
GENERAL A T & T CO ONLY	40,619					
TOTAL	210,966	6.8% (Plant in Service Less Land and Buildings)	14,348	196,620	4.2% (Plant in Service Less Land and Buildings)	8,258
14 PATENT	26,254	Not Allocated				
15 INSPECTION ENGINEERING	-					
16 RATE CASE TESTIMONY A T & T CO ONLY	16,757	0%	-	16,757	4.2% (Plant in Service Less Land and Buildings)	704
17 INTERFERENCE PREVENTION AND PROTECTION						
NEGOTIATION AND COOPERATION WITH GOVT REPRESENTATIVES NATIONAL SOCIETIES ETC	6,610					
INDUCTIVE INTERFERENCE FROM POWER CIRCUITS	198,013					
INTERFERENCE FROM ELECTRIC RAILWAYS	433,913					
ELECTROLYSIS	2,294					
PROTECTION STUDIES	31,188					
GENERAL	217					
TOTAL	672,165	9.3% (Exchange and Toll Lines)	62,511	609,654	4.6% (Exchange and Toll Lines)	28,044
18 MISCELLANEOUS						
HISTORICAL MUSEUM	6,934					
OTHER	*242,408					
TOTAL	*249,337	6.8% (Plant in Service Less Land and Buildings)	16,956	232,382	4.2% (Plant in Service Less Land and Buildings)	9,760
TOTAL CLASSES 1 - 18 INCLUSIVE Allocated	*$6,369,515		$346,959	$6,042,556		$ 212,034

* Non-license deduction $150.

13842

8788

ALLOCATION OF D. & R. DEPARTMENT EXPENSES IN LICENSE SERVICES AS BETWEEN LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA) AND ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

December 9, 1936
6 Sheets-Sheet 1

YEAR 1936	Total D. & R Including B. T. L.	Per Cent Long Lines is of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (incl. Canada)	Per Cent Ohio Bell is of Associated Companies (incl. Canada)	Expense Allocated to Ohio Bell
1. CENTRAL OFFICE SYSTEMS AND APPARATUS						
LOCAL MANUAL EQUIPMENT & CIRCUITS	$ 21,125					
MANUAL APPARATUS	2,229					
TOTAL MANUAL SYSTEM						
PANEL EQUIPMENT & CIRCUITS	98,505					
PANEL APPARATUS	46,312					
TOTAL PANEL SYSTEM						
STEP-BY-STEP EQUIPMENT & CIRCUITS	38,740					
STEP-BY-STEP APPARATUS	15,884					
TOTAL STEP-BY-STEP SYSTEM						
OTHER DIAL SYSTEMS EQUIPMENT & CIRCUITS	3,444					
OTHER DIAL SYSTEMS APPARATUS	-					
TOTAL OTHER DIAL SYSTEMS						
TOLL EQUIPMENT & CIRCUITS	218,901					
P. B. X. EQUIPMENT & CIRCUITS	39,043					
POWER EQUIPMENT	34,704					
TESTING & MAINTENANCE EQUIPMENT & APPARATUS	84,044					
ENGINEERING ON EQUIPMENT ORDERS	-					
FUNDAMENTAL STUDIES (A. T. & T. CO. ONLY)	54,391					
MISCELLANEOUS	111,882	(Central Office			(Central Office	
TOTAL CLASS 1	767,177	5.4% Equipment)	$ 41,428	$ 725,749	3.5% Equipment)	$ 25,401
2. SUBSTATION EQUIPMENT	124,021	0%	-	124,021	4.2% (Company Stations)	5,209
3. OUTSIDE PLANT	588,773	(Exchange and 10.2% Toll Lines)	60,055	528,718	4.6% (Exchange and Toll Lines)	24,321
PER CENT. OF ESTIMATE						
ESTIMATED EXPENSE FOR YEAR						
4. TRANSMITTERS, RECEIVERS AND INDUCTION COILS						
TRANSMISSION AND RECEPTION OF SPEECH	47,659					
APPARATUS	81,893					
TOTAL	129,552	0%	-	129,552	4.2% (Company Stations)	5,441
5. WIRE TRANSMISSION SYSTEMS						
VOICE FREQUENCY TELEPHONE EQUIPMENT & CIRCUITS	260,339					
CARRIER TELEPHONE EQUIPMENT & CIRCUITS	194,641					
CARRIER TELEGRAPH EQUIPMENT & CIRCUITS	75,452					
D. C. TELEGRAPH EQUIPMENT	111,551					
SUBMARINE CABLE TELEGRAPH EQUIPMENT	-					
CROSS INDUCTION STUDIES (A.T.&T.CO. ONLY)	102,292					
TOLL TRANSMISSION MAINTENANCE STUDIES (A.T.&T.CO. ONLY)	24,240					
PICTURE TRANSMISSION	102,124					
WIRE BROADCASTING	3,699					
TELEVISION	81,418					
GENERAL	162,252					
TOTAL	1,118,008					
6. RADIO TRANSMISSION SYSTEMS						
SHIP-TO-SHORE	59,370	6.8% (Plant in Service)	176,187	2,414,800	4.4% (Plant in Service)	106,251
TRANSATLANTIC	219,074					
BROADCASTING	7,817					
SHORT WAVE	423,902					
OTHER RADIO TRANSMITTING SYSTEMS	58,593					
OTHER RADIO RECEIVING SYSTEMS	57,783					
RADIO REGULATIONS & OUTSIDE RELATIONS (A.T.&T.CO. ONLY)	16,136					
AIRCRAFT COMMUNICATION	215,949					
GENERAL	27,251					
TOTAL	1,985,875					
7. GENERAL TRANSMISSION APPARATUS						
VACUUM TUBES	312,417					
LOADING COILS	14,437					
PHOTO-ELECTRIC CELL	29,799					
TESTING APPARATUS	12,181					
TRANSMITTERS AND RECEIVERS FOR SPECIAL USE	2,901					
OTHER TRANSMISSION APPARATUS	15,369					
TOTAL	387,104					
8. OTHER COMMUNICATION SYSTEMS & APPARATUS						
PUBLIC ADDRESS & LOUD SPEAKING SYSTEMS	1,129					
TRAIN DISPATCHING & SUPERVISORY SYSTEMS	-					
POWER LINE CARRIER	-					
APPARATUS FOR THE HARD OF HEARING	-					
ELECTRICAL STETHOSCOPE	-					
PHONOGRAPH RECORDING - DISC	-					
PHONOGRAPH REPRODUCTION - ELECTRICAL	-					
PHONOGRAPH RECORDING - PHOTOGRAPHIC	6,948					
PHONOGRAPH REPRODUCTION - ACOUSTIC	-					
SYNCHRONIZED TALKING PICTURES	-					
ELECTRICAL DICTATION	-	(Plant in Service			(Plant in Service	
MISCELLANEOUS SCIENTIFIC APPARATUS	-	Less Land			Less Land	
TOTAL	8,077	7.8% and Buildings)	606	7,471	4.3% and Buildings)	321

13843

6828

ALLOCATION OF D. & R. DEPARTMENT EXPENSES IN LICENSEE SERVICES
AS BETWEEN
LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA)
AND
ALLOCATION TO OHIO BELL TELEPHONE COMPANY
OF
ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

December 9, 1929
2 Sheets-Sheet 1

YEAR 1928	Total D. & R. Including B.T.L.	Per Cent Long Lines is of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (incl. Canada)	Per Cent Ohio Bell is of Associated Companies (incl. Canada)	Expense allocated to Ohio Bell
9. LEAD COVERED CABLE	$ 72,276	10.2% (Exchange and Toll Lines)	$ 7,372	$ 64,904	4.6% (Exchange and Toll Lines)	$ 2,986
10. SUBMARINE CABLE						
TELEGRAPH CABLE	-					
TELEPHONE CABLE	88,843	6.8% (Plant in Service)	6,041	82,802	4.4% (Plant in Service)	3,643
INSULATION	-					
TOTAL	88,843					
11. MATERIALS & PROCESSES	24,141	7.5% (Plant in Service Less Land and Buildings)	1,811	22,330	4.3% (Plant in Service Less Land and Buildings)	960
12. RESEARCH & DEVELOPMENT OF GENERAL APPLICATION	-					
PER CENT. OF ESTIMATE						
ESTIMATED EXPENSE FOR YEAR						
13. FUNDAMENTAL STUDIES APPLYING TO COMMUNICATION						
TELEPHONE QUALITY STUDIES (A.T.&T.CO. ONLY)	124,906					
TRANSMISSION THEORY (A.T.&T.CO. ONLY)	50,536					
GENERAL (A.T.&T.CO. ONLY)	29,697					
TOTAL	205,140	7.5% (Plant in Service Less Land and Buildings)	15,386	189,754	4.3% (Plant in Service Less Land and Buildings)	8,159
14. PATENT	17,263	Not Allocated				
15. INSPECTION ENGINEERING	-					
16. RATE CASE TESTIMONY (A.T.&T.CO. ONLY)	13,935	0%	-	13,935	4.3% (Plant in Service Less Land and Buildings)	599
17. INTERFERENCE PREVENTION AND PROTECTION						
NEGOTIATION AND COOPERATION WITH GOVT. REPRESENTATIVES, NATIONAL SOCIETIES ETC.	7,559					
INDUCTIVE INTERFERENCE FROM POWER CIRCUITS	219,997					
INTERFERENCE FROM ELECTRIC RAILWAYS	474,230					
ELECTROLYSIS	2,164					
PROTECTION STUDIES	22,470					
GENERAL	770					
TOTAL	727,190	10.2% (Exchange and Toll Lines)	74,174	653,021	4.6% (Exchange and Toll Lines)	30,039
18. MISCELLANEOUS	211,264	7.5% (Plant in Service Less Land and Buildings)	15,845	195,419	4.3% (Plant in Service Less Land and Buildings)	8,403
19. ENGINEERING SERVICES						
C.O. EQUIPMENT ANALYZATION	-					
RADIO INSTALLATIONS	-					
PUBLIC ADDRESS INSTALLATIONS	-					
POWER LINE CARRIER INSTALLATIONS	-					
TRANSATLANTIC INSTALLATIONS	2,541					
CARD CATALOGUE	-					
MISCELLANEOUS ENGINEERING SERVICES	40,256					
TOTAL	42,797	Not Allocated				
TOTAL CLASSES 1 - 19 INCLUSIVE Allocated	$5,551,381		$398,905	$5,152,476		$221,733

13844

ALLOCATION OF D. & R. DEPARTMENT EXPENSES IN LICENSE SERVICES AS BETWEEN LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA) AND ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

December 9, 1929
2 Sheets-Sheet 1

YEAR 1929	Total D. & R. Including B.T.L.	Per Cent Long Lines Is of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (Incl. Canada)	Per Cent Ohio Bell is of Associated Companies (Incl. Canada)	Expense Allocated to Ohio Bell
1. CENTRAL OFFICE SYSTEMS AND APPARATUS						
LOCAL MANUAL EQUIPMENT & CIRCUITS	$ 42,857					
MANUAL APPARATUS	93					
TOTAL MANUAL SYSTEM						
PANEL EQUIPMENT & CIRCUITS	109,551					
PANEL APPARATUS	33,190					
TOTAL PANEL SYSTEM						
STEP-BY-STEP EQUIPMENT & CIRCUITS	62,404					
STEP-BY-STEP APPARATUS	12,514					
TOTAL STEP-BY-STEP SYSTEMS						
OTHER DIAL SYSTEMS EQUIPMENT & CIRCUITS	-					
OTHER DIAL SYSTEMS APPARATUS	-					
TOTAL OTHER DIAL SYSTEMS						
TOLL EQUIPMENT & CIRCUITS	190,630					
P. B. X. EQUIPMENT & CIRCUITS	37,466					
POWER EQUIPMENT	43,808					
TESTING & MAINTENANCE EQUIPMENT & APPARATUS	108,534					
ENGINEERING ON EQUIPMENT ORDERS	-					
FUNDAMENTAL STUDIES (A.T. & T.CO. ONLY)	49,686					
MISCELLANEOUS	68,445					
TOTAL CLASS 1	756,878	6.0% (Central Office Equipment)	$ 45,532	$ 713,346	3.6% (Central Office Equipment)	$ 25,680
2. SUBSTATION EQUIPMENT	137,920	0%	-	137,920	4.4% (Company Stations)	6,068
3. OUTSIDE PLANT	735,368	11.4% (Exchange and Toll Lines)	83,832	651,536	4.6% (Exchange and Toll Lines)	29,971
4. TRANSMITTERS, RECEIVERS AND INDUCTION COILS						
TRANSMISSION AND RECEPTION OF SPEECH	18,228					
APPARATUS	58,049					
TOTAL	76,277	0%	-	76,277	4.4% (Company Stations)	3,356
5. WIRE TRANSMISSION SYSTEMS						
VOICE FREQUENCY TELEPHONE EQUIPMENT & CIRCUITS	209,996					
CARRIER TELEPHONE EQUIPMENT & CIRCUITS	281,359					
CARRIER TELEGRAPH EQUIPMENT & CIRCUITS	94,752					
D.C. TELEGRAPH EQUIPMENT	147,290					
SUBMARINE CABLE TELEGRAPH EQUIPMENT	-					
CROSS INDUCTION STUDIES (A.T. & T.CO. ONLY)	117,392					
TOLL TRANSMISSION MAINTENANCE STUDIES (A.T. & T.CO. ONLY)	29,609					
PICTURE TRANSMISSION	85,062					
WIRE BROADCASTING	66,133					
TELEVISION	135,759					
GENERAL	331,785					
TOTAL	1,499,137					
6. RADIO TRANSMISSION SYSTEMS						
SHIP-TO-SHORE	176,861	7.6% (Plant in Service)	266,605	3,241,352	4.4% (Plant in Service)	142,619
TRANSATLANTIC	429,438					
BROADCASTING	110					
SHORT WAVE	431,998					
OTHER RADIO TRANSMITTING SYSTEMS	32,905					
OTHER RADIO RECEIVING SYSTEMS	34,078					
RADIO REGULATIONS & OUTSIDE RELATIONS (A.T. & T.CO. ONLY)	24,330					
AIRCRAFT COMMUNICATION	473,081					
GENERAL	35,679					
TOTAL	1,638,414					
7. GENERAL TRANSMISSION APPARATUS						
VACUUM TUBES	275,518					
LOADING COILS	14,869					
PHOTO-ELECTRIC CELL	34,805					
TESTING APPARATUS	26,796					
TRANSMITTERS AND RECEIVERS FOR SPECIAL USE	-					
OTHER TRANSMISSION APPARATUS	18,501					
TOTAL	370,406					
8. OTHER COMMUNICATION SYSTEMS & APPARATUS						
PUBLIC ADDRESS & LOUD SPEAKING SYSTEMS	1,271					
TRAIN DISPATCHING & SUPERVISORY SYSTEMS	-					
POWER LINE CARRIER	-					
APPARATUS FOR THE AIDS OF HEARING	-					
ELECTRICAL STEREOSCOPE	-					
PHONOGRAPH RECORDING - ELECTRIC	-					
PHONOGRAPH REPRODUCTION - ELECTRICAL	-					
PHONOGRAPH RECORDING - PHOTOGRAPHIC	-					
PHONOGRAPH REPRODUCTION - ACOUSTIC	-					
SYNCHRONIZED TALKING PICTURES	-					
ELECTRICAL PICTURES	11,245					
MISCELLANEOUS SCIENTIFIC APPARATUS	-					
TOTAL	12,516	8.3% (Plant in Service Less Land and Buildings)	1,039	11,477	4.3% (Plant in Service Less Land and Buildings)	494

13845

1648

ALLOCATION OF D. & E. DEVELOPMENT EXPENSES IN LICENSED SERVICES AS BETWEEN LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA) AND ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

December 9, 1960
2 Sheets - Sheet 2

YEAR 1959	Total D.& E. Including B.T.L.	Per Cent Long Lines is of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (Incl. Canada)	Per Cent Ohio Bell Is of Associated Companies (Incl. Canada)	Expense Allocated to Ohio Bell
9. LEAD COVERED CABLE	$ 79,864	11.4% (Exchange and Toll Lines)	$ 9,104	$ 70,760	4.6% (Exchange and Toll Lines)	$ 3,256
10. SUBMARINE CABLE						
TELEGRAPH CABLE	-					
TELEPHONE CABLE	518,871	7.6% (Plant in Service)	39,434	479,437	4.4% (Plant in Service)	21,096
INSULATION	-					
TOTAL	518,871					
11. MATERIALS & PROCESSES	35,180	8.3% (Plant in Service Less Land and Buildings)	2,920	32,260	4.3% (Plant in Service Less Land and Buildings)	1,387
PER CENT. OF ESTIMATED EXPENSE FOR YEAR						
12. RESEARCH & DEVELOPMENT OF GENERAL APPLICATION	-					
13. FUNDAMENTAL STUDIES APPLYING TO COMMUNICATION						
TELEPHONE QUALITY STUDIES (A.T.&T.CO. ONLY)	124,145					
TRANSMISSION THEORY (A.T.&T.CO. ONLY)	51,483	(Plant in Service Less Land and Buildings)			(Plant in Service Less Land and Buildings)	
GENERAL (A.T.&T.CO. ONLY)	42,512					
TOTAL	218,140	8.3%	18,106	200,034	4.3%	8,602
14. PATENT	20,897	Not Allocated				
PER CENT. OF ESTIMATED EXPENSE FOR YEAR						
15. INSPECTION ENGINEERING	-					
16. RATE CASE TESTIMONY (A.T.&T.CO. ONLY)	10,242	0%	-	10,242	(Plant in Service Less Land and Buildings) 4.3%	440
17. INTERFERENCE PREVENTION AND PROTECTION						
NEGOTIATION AND COOPERATION WITH GOVT. REPRESENT. ATT'YS, NATIONAL SOCIETIES ETC.	9,050					
INDUCTIVE INTERFERENCE FROM POWER CIRCUITS	330,580					
INTERFERENCE FROM ELECTRIC RAILWAYS	350,185					
ELECTROLYSIS	5,906					
PROTECTION STUDIES	89,118					
GENERAL	319	(Exchange and Toll Lines)			(Exchange and Toll Lines)	
TOTAL	785,158	11.4%	89,668	642,490	4.6%	29,555
18. MISCELLANEOUS	232,343	8.3% (Plant in Service Less Land and Buildings)	19,284	213,059	(Plant in Service Less Land and Buildings) 4.3%	9,162
19. ENGINEERING SERVICES						
C.O. EQUIPMENT ANALYZATION	-					
RADIO INSTALLATIONS	-					
PUBLIC ADDRESS INSTALLATIONS	-					
POWER LINE CARRIER INSTALLATIONS	-					
TRANSATLANTIC INSTALLATIONS	-					
CARD CATALOGUE	-					
MISCELLANEOUS ENGINEERING SERVICES	44,390					
TOTAL	44,390	Not Allocated				
TOTAL CLASSES 1 - 19 INCLUSIVE ALLOCATED	$7,048,714		$518,823	6,460,191		$221,684

13846

ALLOCATION OF D. & E. DEPARTMENT EXPENSES IN LICENSEE SERVICES AS REPORTED
LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA)
AND
ALLOCATION TO OHIO BELL TELEPHONE COMPANY
OF
ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

December 8, 1938
2 Sheets - Sheet 1

YEAR 1930	Total D. & E. Including B.T.L.	Per Cent Long Lines is of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (incl. Canada)	Per Cent Ohio Bell is of Associated Companies (incl. Canada)	Expense Allocated to Ohio Bell
1. CENTRAL OFFICE SYSTEMS AND APPARATUS						
1.01 LOCAL MANUAL EQUIPMENT & CIRCUITS	$ 44,194					
1.02 MANUAL APPARATUS	14,725					
TOTAL MANUAL SYSTEM						
1.03 PANEL EQUIPMENT & CIRCUITS	99,948					
1.04 PANEL APPARATUS	31,911					
TOTAL PANEL SYSTEM						
1.05 STEP - BY - STEP EQUIPMENT & CIRCUITS	69,294					
1.06 STEP - BY - STEP APPARATUS	14,189					
TOTAL STEP - BY - STEP SYSTEM						
1.07 OTHER DIAL SYSTEMS EQUIPMENT & CIRCUITS	62					
1.08 TOLL EQUIPMENT & CIRCUITS	206,243					
1.09 P. B. X. EQUIPMENT & CIRCUITS	48,901					
1.10 POWER EQUIPMENT	84,366					
1.11 TESTING & MAINTENANCE EQUIPMENT & APPARATUS	108,681					
1.12 ENGINEERING ON EQUIPMENT ORDERS	399					
1.13 FUNDAMENTAL STUDIES (A. T. & T.CO. ONLY)	36,378					
1.14 MISCELLANEOUS	76,993					
TOTAL CLASS 1	829,941	7.3% (Central Office Equipment)	$ 60,597	$ 769,374	3.8% (Central Office Equipment)	$ 29,236
2. SUBSTATION EQUIPMENT	138,914	0%	-	138,914	4.4% (Company Stations)	6,112
3. OUTSIDE PLANT	823,587	13.2% (Exchange and Toll Line)	108,715	714,874	4.6% (Exchange and Toll Lines)	32,884
4. TRANSMITTERS, RECEIVERS AND INDUCTION COILS						
4.01 TRANSMISSION AND RECEPTION OF SPEECH	91,364					
4.02 APPARATUS	76,718					
TOTAL	168,082	0%	-	168,082	4.4% (Company Stations)	7,396
5. WIRE TRANSMISSION SYSTEMS						
5.01 VOICE FREQUENCY TELEPHONE EQUIPMENT & CIRCUITS	405,926					
5.02 CARRIER TELEPHONE EQUIPMENT & CIRCUITS	174,608					
5.03 CARRIER TELEGRAPH EQUIPMENT & CIRCUITS	89,606					
5.04 CARRIER ON CABLE	745,818					
5.05 D C TELEGRAPH EQUIPMENT	208,784					
5.06 SUBMARINE CABLE TELEGRAPH EQUIPMENT	3,899					
5.07 CROSS INDUCTION STUDIES (A.T.&T.CO. ONLY)	163,009					
5.08 TOLL TRANSMISSION MAINTENANCE STUDIES (A.T.&T.CO. ONLY)	30,606					
5.09 PICTURE TRANSMISSION	106,618					
5.10 TELEVISION	90,771					
5.11 RADIO & SUBMARINE CABLE TELEPHONE CONNECTING EQPT & CCTS	368,361					
5.12 GENERAL	527,939					
TOTAL	2,910,918					
6. RADIO TRANSMISSION SYSTEMS						
6.01 SHIP - TO - SHORE	243,722	9.0% (Plant in Service)	486,874	4,922,837	4.5% (Plant in Service)	221,528
6.02 AIRCRAFT COMMUNICATION	453,027					
6.03 TRANSOCEANIC - SHORT WAVE	319,133					
6.04 SHORT WAVE - GENERAL	243,177					
6.05 TRANSOCEANIC - LONG WAVE	497,356					
6.06 BROADCASTING	366					
6.07 OTHER RADIO TRANSMITTING SYSTEMS	61,309					
6.08 OTHER RADIO RECEIVING SYSTEMS	81,924					
6.10 RADIO REGULATIONS & OUTSIDE RELATIONS (A.T.&T.CO. ONLY)	31,651					
6.20 GENERAL	10,149					
TOTAL	2,031,811					
7. GENERAL TRANSMISSION APPARATUS						
7.01 VACUUM TUBES	350,004					
7.02 LOADING COILS	4,763					
7.03 PHOTO - ELECTRIC CELL	30,564					
7.04 TESTING APPARATUS	78,947					
7.05 TRANSMITTERS AND RECEIVERS FOR SPECIAL USE	851					
7.06 OTHER TRANSMISSION APPARATUS	4,456					
TOTAL	466,985					
8. OTHER COMMUNICATION SYSTEMS & APPARATUS						
8.01 SOUND RECORDING APPARATUS & SYSTEMS	3,089					
8.02 SOUND REPRODUCING APPARATUS & SYSTEMS	9,681					
8.03 POWER LINE CARRIER	297					
8.04 TRAIN DISPATCHING & SUPERVISORY SYSTEMS	-					
8.05 CLINICAL APPARATUS & FUNCTIONAL AIDS	1,408					
8.20 GENERAL	113,313					
TOTAL	127,788	9.9% (Plant in Service Less Land and Buildings)	12,661	118,137	4.4% (Plant in Service Less Land and Buildings)	5,066
9. LEAD COVERED CABLE	128,341	13.2% (Exchange and Toll Line)	16,941	111,400	4.6% (Exchange and Toll Line)	5,126

13847

8793

ASSOCIATION OF D. & R. EXPENSES IN LICENSED SERVICES
TO
LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA)
&
ALLOCATION TO OHIO BELL TELEPHONE COMPANY
OF
ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

YEAR 1930	Total D. & R. Including B.T.L.	Per Cent Long Lines is of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (incl. Canada)	Per Cent Ohio Bell is of Associated Companies (incl. Canada)	Expense Allocated to Ohio Bell
10. SUBMARINE CABLE						
10.01 TELEGRAPH CABLE	308					
10.02 TELEPHONE CABLE	666,301					
10.03 INSULATION	-					
TOTAL	666,609	9.0% (Plant in Service)	$ 59,995	$ 606,614	4.5% (Plant in Service)	$ 27,298
11. MATERIALS & SUPPLIES	87,688	9.9% (Plant in Service Less Land and Buildings)	5,711	81,977	4.4% (Plant in Service Less Land and Buildings)	2,287
12. FUNDAMENTAL STUDIES APPLYING TO COMMUNICATION						
12.01 TELEPHONE QUALITY STUDIES (A.T.&T. CO. ONLY)	139,316					
12.02 TRANSMISSION THEORY (A.T.&T. CO. ONLY)	* 43,120					
12.03 GENERAL (A.T.&T. CO. ONLY)	112,389	(Plant in Service Less Land and			(Plant in Service Less Land and	
TOTAL	*294,825	9.9% Buildings)	29,188	265,637	4.4% Buildings)	11,688
13. PATENT	** 81,340	(Not allocated)				
14. INSPECTION ENGINEERING						
PER CENT. OF ESTIMATE						
ESTIMATED EXPENSE FOR YEAR					(Plant in Service Less Land and	
16. RATE CASE TESTIMONY (A.T.&T.CO. ONLY)	2,968	0%		2,968	4.4% Buildings)	130
16. INTERFERENCE PREVENTION AND PROTECTION						
16.01 NEGOTIATION AND COOPERATION WITH GOVT REPRESENTATIVES, NATIONAL SOCIETIES ETC.	29,325					
16.02 INDUCTIVE INTERFERENCE FROM POWER CIRCUITS	456,999					
16.03 INTERFERENCE FROM ELECTRIC RAILWAYS	168,798					
16.04 ELECTROLYSIS	3,869					
16.05 PROTECTION STUDIES	70,320					
16.06 GENERAL	7,576	(Exchange and			(Exchange and	
TOTAL	736,887	13.2% Toll Line)	97,269	639,618	4.6% Toll Line)	29,422
17. MISCELLANEOUS	232,909	(Plant in Service Less Land and 9.9% Buildings)	23,068	209,841	(Plant in Service Less Land and 4.4% Buildings)	9,233
18.						
19. ENGINEERING SERVICES						
19.01 RADIO INSTALLATIONS	-					
19.02 TRANSOCEANIC RADIO - SHORT WAVE	-					
19.03 TRANSOCEANIC RADIO - LONG WAVE	-					
19.04 SHIP-TO-SHORE RADIO	**62,301					
19.05 CARD CATALOGUE	-					
19.06 MISCELLANEOUS ENGINEERING SERVICES	35,257					
TOTAL	97,558	(Not allocated)				
TOTAL CLASSES 1 - 19 INCLUSIVE ALLOCATED	* $9,618,267		$ 900,987	$8,717,280		$387,404

* Non-License Deduction Class. 7.03 $ 19,500
8.01 209,260
8.02 21,687
12.02 11,200

** Expense chargeable to other Departments of A. T. & T. Co.

13848

87794

ALLOCATION OF D. & R. EXPENDITURES IN LICENSED SERVICES
LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA)
AND
ALLOCATION TO OHIO BELL TELEPHONE COMPANY
OF
ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

December 9, 1932
3 Sheets-Sheet 1

YEAR 1931	Total D. & R. Including B.T.L.	Per Cent Long Lines Is of Total	Expenses Allocated to Long Lines	Expense Allocated to Associated Companies (Incl. Canada)	Per Cent Ohio Bell Is of Associated Companies (Incl, Canada)	Expense Allocated to Ohio Bell
1. CENTRAL OFFICE SYSTEMS AND APPARATUS						
1.01 LOCAL MANUAL EQUIPMENT & CIRCUITS	$ 48,320					
1.02 MANUAL APPARATUS	14,074					
TOTAL MANUAL SYSTEM						
1.03 PANEL EQUIPMENT & CIRCUITS	88,280					
1.04 PANEL APPARATUS	28,868					
TOTAL PANEL SYSTEM						
1.05 STEP-BY-STEP EQUIPMENT & CIRCUITS	74,815					
1.06 STEP-BY-STEP APPARATUS	14,850					
TOTAL STEP-BY-STEP SYSTEM						
1.07 OTHER DIAL SYSTEMS EQUIPMENT & CIRCUITS	150					
1.08 TOLL EQUIPMENT & CIRCUITS	142,798					
1.09 P. B. X. EQUIPMENT & CIRCUITS	51,648					
1.10 POWER EQUIPMENT	76,439					
1.11 TESTING & MAINTENANCE EQUIPMENT & APPARATUS	102,564					
1.12 ENGINEERING ON EQUIPMENT ORDERS	86					
1.13 FUNDAMENTAL STUDIES (A. T. & T.CO. ONLY)	30,188					
1.14 MISCELLANEOUS	67,143					
TOTAL CLASS 1	760,101	7.85 (Central Office - Equipment)	$ 59,288	$ 700,813	3.8% (Central Office - Equipment)	$ 26,631
2. SUBSTATION EQUIPMENT	108,646	0%	-	108,646	4.3% (Company Stations)	4,670
3. OUTSIDE PLANT	766,106	14.0% (Exchange and Toll Lines)	107,255	658,851	4.4% (Exchange and Toll Lines)	29,648
4. TRANSMITTERS, RECEIVERS AND INDUCTION COILS						
4.01 TRANSMISSION AND RECEPTION OF SPEECH	79,391					
4.02 APPARATUS	198,363					
TOTAL	277,754	0%	-	277,754	4.3% (Company Stations)	11,943
5. WIRE TRANSMISSION SYSTEMS						
5.01 VOICE FREQUENCY TELEPHONE EQUIPMENT & CIRCUITS	808,202					
5.02 CARRIER TELEPHONE EQUIPMENT & CIRCUITS	172,847					
5.03 CARRIER TELEGRAPH EQUIPMENT & CIRCUITS	76,618					
5.04 CARRIER OR CABLE	906,883					
5.05 PRINTING AND S.C. TELEGRAPH EQUIPMENT	188,700					
5.06 SUBMARINE CABLE TELEGRAPH EQUIPMENT	1,804					
5.07 CROSS INDUCTION STUDIES (A.T.&T.CO. ONLY)	173,889					
5.08 TOLL TRANSMISSION MAINTENANCE STUDIES (A.T.&T.CO. ONLY)	35,868					
5.09 PICTURE TRANSMISSION	180,368					
5.10 TELEVISION	84,018					
5.11 RADIO & SUBMARINE CABLE TELEPHONE CONNECTING EQPT & CCTS.	291,380					
5.12 GENERAL	532,989					
TOTAL	3,063,080	9.8% (Plant in Service)	456,219	4,336,861	4.3% (Plant in Service)	186,472
6. RADIO TRANSMISSION SYSTEMS						
6.01 SHIP-TO-SHORE	63,080					
6.02 AIRCRAFT COMMUNICATION	40,474					
6.03 TRANSOCEANIC - SHORT WAVE	280,212					
6.04 SHORT WAVE - GENERAL	280,368					
6.05 TRANSOCEANIC - LONG WAVE	341,907					
6.06 BROADCASTING	533					
6.07 OTHER RADIO TRANSMITTING SYSTEMS	119,774					
6.08 OTHER RADIO RECEIVING SYSTEMS	118,918					
6.10 RADIO REGULATIONS & OUTSIDE RELATIONS (A.T.&T.CO. ONLY)	17,058					
6.11 GENERAL	10,648					
TOTAL	1,199,971					
7. GENERAL TRANSMISSION APPARATUS						
7.01 VACUUM TUBES	382,966					
7.02 LOADING COILS	15,683					
7.03 PHOTO-ELECTRIC CELL	78,049					
7.04 TESTING APPARATUS	41,706					
7.05 TRANSMITTERS AND RECEIVERS FOR SPECIAL USE	9					
7.11 OTHER TRANSMISSION APPARATUS	20,346					
TOTAL	536,749					
8. OTHER COMMUNICATION SYSTEMS & APPARATUS						
8.01 SOUND RECORDING APPARATUS & SYSTEMS	157,701					
8.02 SOUND REPRODUCING APPARATUS & SYSTEMS	51,414					
8.03 POWER LINE CARRIER	9,090					
8.04 TRAIN DISPATCHING & SUPERVISORY SYSTEMS	-					
8.05 CLINICAL APPARATUS & FUNCTIONAL AIDS	14,734	(Plant in Service			(Plant in Service	
8.11 GENERAL	12,086	Less Land			Less Land	
TOTAL	237,987	10.0% and Buildings)	24,065	212,972	4.3% and Buildings)	9,158
9. LEAD COVERED CABLE	130,138	14.0% (Exchange and Toll Lines)	16,819	103,319	4.6% (Exchange and Toll Lines)	4,649

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LONG LINES AND ASSOCIATED COMPANIES (INCL. CANADA)

ALLOCATION TO OHIO BELL TELEPHONE COMPANY

OF

ITS FAIR SHARE OF SUCH ASSOCIATED COMPANY EXPENSES

YEAR 1931	Total D. & E. Including E.T.L.	Per Cent Long Lines Is of Total	Expense Allocated to Long Lines	Expense Allocated to Associated Companies (Incl. Canada)	Per Cent Ohio Bell is of Associated Companies (Incl. Canada)	Expense Allocated to Ohio Bell
10. SUBMARINE CABLE						
10.01 TELEGRAPH CABLE	$ 72					
10.02 TELEPHONE CABLE	406,045					
10.03 INSULATION	-					
TOTAL	406,117	9.8% (Plant in Service)	$ 38,581	$347,636	4.3% (Plant in Service)	$ 15,804
11. MATERIALS & PROCESSES	197,361	10.8%(Plant in Service Less Land and Buildings)	20,723	176,638	4.3% (Plant in Service Less Land and Buildings)	7,596
PER CENT. OF ESTIMATE						
ESTIMATED EXPENSE FOR YEAR						
12. FUNDAMENTAL STUDIES APPLYING TO COMMUNICATION						
12.01 TELEPHONE QUALITY STUDIES (A.T.&T.CO. ONLY)	166,584					
12.02 TRANSMISSION THEORY (A.T.&T.CO. ONLY)	49,187					
12.03 GENERAL (A.T.&T.CO. ONLY)	138,277					
TOTAL	354,048	10.6%(Plant in Service Less Land and Buildings)	37,175	316,873	4.3% (Plant in Service Less Land and Buildings)	13,626
13. PATENT	-					
14. INSPECTION ENGINEERING	-					
15.						
16. INTERFERENCE PREVENTION AND PROTECTION						
16.01 NEGOTIATION AND COOPERATION WITH GOVT. REPRESENTATIVES NATIONAL SOCIETIES ETC	18,658					
16.02 INDUCTIVE INTERFERENCE FROM POWER CIRCUITS	413,417					
16.03 INTERFERENCE FROM ELECTRIC RAILWAYS	132,525					
16.04 ELECTROLYSIS	6,219					
16.05 PROTECTION STUDIES	80,488					
16.06 GENERAL	5,941					
TOTAL	657,248	14.0% (Exchange and Toll Lines)	87,815	569,433	4.8% (Exchange and Toll Lines)	24,274
17. MISCELLANEOUS	225,953	10.5%(Plant in Service Less Land and Buildings)	23,725	202,228	4.3% (Plant in Service Less Land and Buildings)	8,696
18.						
19. ENGINEERING SERVICES						
19.01 RADIO INSTALLATIONS	-					
19.02 TRANSOCEANIC RADIO - SHORT WAVE	-					
19.03 TRANSOCEANIC RADIO - LONG WAVE	-					
* 19.04 SHIP-TO-SHORE RADIO	3,083					
19.05 CARD CATALOGUE	-					
* 19.06 MISCELLANEOUS ENGINEERING SERVICES	200,685					
TOTAL	203,768	Not Allocated				
TOTAL CLASSES 1 - 19 INCLUSIVE Allocated	$8,873,809		$871,885	$8,001,924		$ 343,168

* A portion of this expense chargeable to other departments of A. T. & T. Co.

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(Jewett)

EXHIBIT A-119-B

Fair Share of D. & R. Expense Allocable to Ohio Bell Telephone Company on the Basis of Exhibits A-116 and A-118

Year	1 Credit account Western's Benefit (Non-Bell) from *Exhibit 3	2 Per cent Ohio Bell Tel. Co. is of Assoc. Cos. (incl. Canada) plus Long Lines	3 2 x 1 Proportion of credit applicable to Ohio Bell Tel. Co.	4 D. & R. Expense allocated on **Exhibit 5 to Ohio Bell Tel. Co.	5 4 - 3 Net expense applicable to Ohio Bell Tel. Co.
1923	$153,700	4.8	$7,378	$132,596	$125,218
1924	155,000	4.4	6,820	134,668	127,848
1925	198,700	4.1	8,147	143,640	135,493
1926	184,100	4.0	7,364	168,743	161,379
1927	206,700	4.0	8,268	212,034	203,766
1928	262,300	4.1	10,754	221,733	210,979
1929	310,600	4.0	12,424	281,684	269,260
1930	357,400	4.1	14,653	387,404	372,751
1931	217,900	3.9	8,498	343,168	334,670

* A-116. ** A-118.

[fol. 13852]

EXHIBIT A-120

Per Cent Long Lines of Total Associated Companies, Long Lines and Bell Telephone Company of Canada

Year	Total telephone revenues "000" omitted				Per cent long lines of total Ass'd Cos., Long Lines and Bell of Canada b + d
	Total Ass'd Operating Companies (a)	Long Lines (b)	Bell of Canada (c)	Total columns a, b and c (d)	(e)
1923	$547,104	$47,241	$21,867	$616,212	7.7
1924	611,053	48,578	24,208	683,839	7.1
1925	687,899	55,512	26,169	769,580	7.2
1926	766,847	60,939	28,461	856,247	7.1
1927	834,782	67,412	33,211	935,405	7.2
1928	900,752	82,961	36,511	1,020,224	8.1
1929	983,725	97,435	40,031	1,121,191	8.7
1930	1,018,672	99,535	41,361	1,159,568	8.6
1931	996,814	94,557	40,926	1,132,297	8.4

Sources of information: CR 51A, MR 1, MR 1.

(Here follows 1 photo, folio 13853.)

EXHIBIT A-121-B

PER CENT OHIO BELL TELEPHONE COMPANY

OF TOTAL ASSOCIATED COMPANIES (EXCLUDING LONG LINES)

AND BELL TELEPHONE COMPANY OF CANADA

Year	Total Telephone Revenues "000" Omitted				Per Cent Ohio Bell Telephone Company of Total Assoc. Cos., and Bell Tel. Co. of Canada (d ÷ c) (e)
	Total Associated Operating Companies (a)	Bell Tel. Co. of Canada (b)	Total (a) and (b) (c)	Ohio Bell Telephone Company (d)	
1923	$ 547,104	$21,867	$ 568,971	$25,151	4.4
1924	611,053	24,208	635,261	27,865	4.4
1925	687,899	26,169	714,068	31,241	4.4
1926	766,847	28,461	795,308	34,205	4.3
1927	834,782	33,211	867,993	36,798	4.2
1928	900,752	36,511	937,263	39,691	4.2
1929	983,725	40,031	1,023,756	44,383	4.3
1930	1,018,672	41,361	1,060,033	44,903	4.2
1931	996,814	40,926	1,037,740	43,438	4.2

Sources of Information

CR 51A MR 1 MR 1

13853

87984

[fols. 13854-13855] EXHIBIT A-123

American Telephone and Telegraph Company

Advertising

Year	Paid by Long Lines Department	Paid by Bell Telephone Securities Co.	Institutional and Sales (a) Paid by Information Department
1923	(b)	$42,683	(b) $417,174
1924	(b)	46,419	(b) 444,284
1925	$94,600	50,821	436,982
1926	146,530	52,782	454,415
1927	191,472	55,553	473,340
1928	258,587	50,816	661,377
1929	336,075	53,138	893,109
1930	335,681	49,705	946,334
1931	286,611	50,438	877,509

(a) Including Supervision.

(b) In the years 1923 and 1924 the Long Lines Department did not pay any direct advertising costs. Of the total amounts paid for Institutional and Sales Advertising by the American Tel. and Tel. Co.—Information Department, the following amounts thereof based on 1925 payments for advertising are deemed allocable to the Long Lines Department:

Year 1923	$80,084
Year 1924	85,275

EXHIBIT A-124-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY

INFORMATION DEPARTMENT EXPENSES FOR SERVICES UNDER LICENSE CONTRACT

YEARS 1923 - 1931

Year		Regular Employees Dec. 31 (1)	Total Expenses(a) (2)	Allocated to Bell Telephone Securities (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)	
						Per Cent of Col.(4)*	Amount
1923	Institutional and Sales Advertising		$ 417,174	$2,031(c)	$ 415,143	x x	$80,084(b)
	Other Expenses		217,164	-	217,164	7.7	16,722
	Total	25	634,338	2,031	632,307	x x	96,806
1924	Institutional and Sales Advertising		444,284	2,234(c)	442,050	x x	85,275(b)
	Other Expenses		250,143	-	250,143	7.1	17,761
	Total	31	694,427	2,234	692,193	x x	103,036
1925	Institutional and Sales Advertising		436,982	2,437(c)	434,545	x x	7,459(c)
	Other Expenses		303,482	-	303,482	7.2	21,850
	Total	33	740,464	2,437	738,027	x x	29,309
1926	Institutional and Sales Advertising		454,415	2,573(c)	451,842	x x	9,785(c)
	Other Expenses		402,905	-	402,905	7.1	28,606
	Total	32	857,320	2,573	854,747	x x	38,391
1927	Institutional and Sales Advertising		473,340	2,708(c)	470,632	x x	13,878(c)
	Other Expenses		316,357	-	316,357	7.2	22,778
	Total	38	789,697	2,708	786,989	x x	36,656
1928	Institutional and Sales Advertising		661,377	2,369(c)	659,008	x x	14,756(c)
	Other Expenses		372,621	-	372,621	8.1	30,182
	Total	43	1,033,998	2,369	1,031,629	x x	44,938
1929	Institutional and Sales Advertising		893,109	2,405(c)	890,704	x x	17,426(c)
	Other Expenses		454,061	-	454,061	8.7	39,503
	Total	44	1,347,170	2,405	1,344,765	x x	56,929
1930	Institutional and Sales Advertising		946,334	2,172(c)	944,162	x x	21,145(c)
	Other Expenses		405,277	-	405,277	8.6	34,855
	Total	49	1,351,611	2,172	1,349,439	x x	56,000

Year		Regular Employees Dec. 31 (1)	Total Expenses(a) (2)	Allocated to Bell Telephone Securities (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)	
						Per Cent of Col.(4)*	Amount
1923	Institutional and Sales Advertising		$ 417,174	$2,031(c)	$ 415,143	x x	$80,084(b)
	Other Expenses		217,164	-	217,164	7.7	16,722
	Total	25	634,338	2,031	632,307	x x	96,806
1924	Institutional and Sales Advertising		444,284	2,234(c)	442,050	x x	85,275(b)
	Other Expenses		250,143	-	250,143	7.1	17,761
	Total	31	694,427	2,234	692,193	x x	103,036
1925	Institutional and Sales Advertising		436,982	2,437(c)	434,545	x x	7,459(c)
	Other Expenses		303,482	-	303,482	7.2	21,850
	Total	33	740,464	2,437	738,027	x x	29,309
1926	Institutional and Sales Advertising		454,415	2,573(c)	451,842	x x	9,785(c)
	Other Expenses		402,905	-	402,905	7.1	28,606
	Total	32	857,320	2,573	854,747	x x	38,391
1927	Institutional and Sales Advertising		473,340	2,708(c)	470,632	x x	13,878(c)
	Other Expenses		316,357	-	316,357	7.2	22,778
	Total	38	789,697	2,708	786,989	x x	36,656
1928	Institutional and Sales Advertising		661,377	2,369(c)	659,008	x x	14,756(c)
	Other Expenses		372,621	-	372,621	8.1	30,182
	Total	43	1,033,998	2,369	1,031,629	x x	44,938
1929	Institutional and Sales Advertising		893,109	2,405(c)	890,704	x x	17,426(c)
	Other Expenses		454,061	-	454,061	8.7	39,503
	Total	44	1,347,170	2,405	1,344,765	x x	56,929
1930	Institutional and Sales Advertising		946,334	2,172(c)	944,162	x x	21,145(c)
	Other Expenses		405,277	-	405,277	8.6	34,855
	Total	49	1,351,611	2,172	1,349,439	x x	56,000
1931	Institutional and Sales Advertising		877,509	2,342(c)	875,167	x x	22,229(c)
	Other Expenses		429,971	-	429,971	8.4	36,117
	Total	47	1,307,480	2,342	1,305,138	x x	58,346

(a) Excludes Trade Mark Service Advertising and related salaries and expenses: 1929 - $113,085
1930 - 132,248
1931 - 111,904

(b) Amount of Institutional and Sales Advertising including Supervision service paid by Information Department which has been allocated to Long Lines Department on the basis of 1925 payments for advertising.

(c) Allocation to Long Lines and Bell Tel. S services related to advertising paid f placed for them by A.T. and T.Co. - In

* Allocated to Long Lines and to Ohio Bell Total Telephone Revenues.

EXHIBIT A-124-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY

INFORMATION DEPARTMENT EXPENSES FOR SERVICES UNDER LICENSE CONTRACT

YEARS 1923 - 1931

Regular Employees Dec. 31 (1)	Total Expenses(a) (2)	Allocated to Bell Telephone Securities (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
				Per Cent of Col.(4)*	Amount		Per Cent of Col.(6)*	Amount
	$ 417,174	$2,031(c)	$ 415,143	x x	$80,084(b)	$ 335,059	4.4	$14,743
	217,164	-	217,164	7.7	16,722	200,442	4.4	8,819
25	634,338	2,031	632,307	x x	96,806	535,501	4.4	23,562
	444,284	2,234(c)	442,050	x x	85,275(b)	356,775	4.4	15,698
	250,143	-	250,143	7.1	17,761	232,382	4.4	10,225
31	694,427	2,234	692,193	x x	103,036	589,157	4.4	25,923
	436,982	2,437(c)	434,545	x x	7,459(c)	427,086	4.4	18,792
	303,482	-	303,482	7.2	21,850	281,632	4.4	12,392
33	740,464	2,437	738,027	x x	29,309	708,718	4.4	31,184
	454,415	2,573(c)	451,842	x x	9,785(c)	442,057	4.3	19,008
	402,905	-	402,905	7.1	28,606	374,299	4.3	16,095
32	857,320	2,573	854,747	x x	38,391	816,356	4.3	35,103
	473,340	2,708(c)	470,632	x x	13,878(c)	456,754	4.2	19,184
	316,357	-	316,357	7.2	22,778	293,579	4.2	12,330
38	789,697	2,708	786,989	x x	36,656	750,333	4.2	31,514
	661,377	2,369(c)	659,008	x x	14,756(c)	644,252	4.2	27,059
	372,621	-	372,621	8.1	30,182	342,439	4.2	14,382
43	1,033,998	2,369	1,031,629	x x	44,938	986,691	4.2	41,441
	893,109	2,405(c)	890,704	x x	17,426(c)	873,278	4.3	37,551
	454,061	-	454,061	8.7	39,503	414,558	4.3	17,826
44	1,347,170	2,405	1,344,765	x x	56,929	1,287,836	4.3	55,377
	946,334	2,172(c)	944,162	x x	21,145(c)	923,017	4.2	38,766
	405,277	-	405,277	8.6	34,855	370,422	4.2	15,558
49	1,351,611	2,172	1,349,439	x x	56,000	1,293,439	4.2	54,324
	877,509	2,342(c)	875,167	x x	22,229(c)	852,938	4.2	35,823
	429,971	-	429,971	8.4	36,117	393,854	4.2	16,542
	1,308,480	2,342	1,305,138	x x	58,346	1,246,792	4.2	52,365

Regular Employees Dec. 31 (1)	Total Expenses(a) (2)	Allocated to Bell Telephone Securities (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
				Per Cent of Col.(4)*	Amount		Per Cent of Col.(6)*	Amount
	$ 417,174	$2,031(c)	$ 415,143	x x	$80,084(b)	$ 335,059	4.4	$14,743
	217,164	-	217,164	7.7	16,722	200,442	4.4	8,819
25	634,338	2,031	632,307	x x	96,806	535,501	4.4	23,562
	444,284	2,234(c)	442,050	x x	85,275(b)	356,775	4.4	15,698
	250,143	-	250,143	7.1	17,761	232,382	4.4	10,225
31	694,427	2,234	692,193	x x	103,036	589,157	4.4	25,923
	436,982	2,437(c)	434,545	x x	7,459(c)	427,086	4.4	18,792
	303,482	-	303,482	7.2	21,850	281,632	4.4	12,392
33	740,464	2,437	738,027	x x	29,309	708,718	4.4	31,184
	454,415	2,573(c)	451,842	x x	9,785(c)	442,057	4.3	19,008
	402,905	-	402,905	7.1	28,606	374,299	4.3	16,095
32	857,320	2,573	854,747	x x	38,391	816,356	4.3	35,103
	473,340	2,708(c)	470,632	x x	13,878(c)	456,754	4.2	19,184
	316,357	-	316,357	7.2	22,778	293,579	4.2	12,330
38	789,697	2,708	786,989	x x	36,656	750,333	4.2	31,514
	661,377	2,369(c)	659,008	x x	14,756(c)	644,252	4.2	27,059
	372,621	-	372,621	8.1	30,182	342,439	4.2	14,382
43	1,033,998	2,369	1,031,629	x x	44,938	986,691	4.2	41,441
	893,109	2,405(c)	890,704	x x	17,426(c)	873,278	4.3	37,551
	454,061	-	454,061	8.7	39,503	414,558	4.3	17,826
44	1,347,170	2,405	1,344,765	x x	56,929	1,287,836	4.3	55,377
	946,334	2,172(c)	944,162	x x	21,145(c)	923,017	4.2	38,766
	405,277	-	405,277	8.6	34,855	370,422	4.2	15,558
49	1,351,611	2,172	1,349,439	x x	56,000	1,293,439	4.2	54,324
	877,509	2,342(c)	875,167	x x	22,229(c)	852,938	4.2	35,823
	429,971	-	429,971	8.4	36,117	393,854	4.2	16,542
47	1,307,480	2,342	1,305,138	x x	58,346	1,246,792	4.2	52,365

Advertising and related salaries and
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Sales Advertising including Supervision
on Department which has been allocated
on the basis of 1925 payments for

(c) Allocation to Long Lines and Bell Tel. Securities Co. represents Supervisory services related to advertising paid for directly by those companies and placed for them by A.T. and T.Co. - Information Department.

* Allocated to Long Lines and to Ohio Bell Telephone Company on the basis of Total Telephone Revenues.

13856- 13859

EXHIBIT A-150-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

YEARS 1923 - 1931

...EL RELATIONS DEPARTMENT

Year	Column 4 Deposition Exhibit No. 193 (1)	Allocated to "Other" by Deposition Exhibit No. 193 (2)	Deduction for "Non-License" Items (3) Per Cent of Col.(2) (a)	(3) Amount	Balance "Other" Allocable to License Contract (2 less 3) (4)	Allocated directly to License Contract by Deposition Exhibit No. 193 (5)	Total License Contract Associated Companies (Including Bell of Canada) and Long Lines (4 + 5) (6)	Allocated to Long Lines (7) Per Cent of Col. (6)	(7) Amount	Balance Associated Companies (Including Bell of Canada) (6 less 7) (8)	Allocated to Ohio Bell Telephone Company (9) Per Cent of Col.(8)	(9) Amount
1923												
Administration	$ 56,996	$ 5,700		$	$	$ 51,296	$		$	$		$
Personnel	131,946	13,195				118,751						
Special Training	32,435	6,487				25,948						
Total	221,377	25,382	10	2,538	22,844	195,985	216,829	(b) 3.5	7,590	211,100	(b) 4.3	9,081
Public Relations	80,458	0		0	0	80,458	80,458	(c) 5.8	4,687	75,771	(d) 4.6	3,486
Total	301,835	25,382		2,538	22,844	276,453	289,287	x x	12,356	286,871	x x	12,567
1924												
Administration	62,197	6,220				55,977						
Personnel	133,270	13,327				119,943						
Special Training	32,899	11,980				47,919						
Total	255,366	31,527	10	3,153	28,374	223,839	252,213	(b) 3.3	8,323	243,890	(b) 4.2	10,243
Public Relations	14,223	0		0	0	14,223	14,223	(c) 5.5	782	13,441	(d) 4.5	605
Total	269,589	31,527		3,153	28,374	238,062	266,436	x x	9,105	257,331	x x	10,848
1925												
Administration	62,263	6,226				56,037						
Personnel	156,435	15,644				140,791						
Special Training	34,332	16,866				47,466						
Total	303,030	38,736	10	3,874	34,862	264,294	299,156	(b) 3.1	9,276	289,882	(b) 4.2	12,175
Public Relations	14,719	0		0	0	14,719	14,719	(c) 5.4	795	13,924	(d) 4.3	599
Total	317,749	38,736		3,874	34,862	279,013	313,875	x x	10,069	303,806	x x	12,774
1926												
Administration	62,775	6,278				56,497						
Personnel	206,590	20,659				185,931						
Special Training	92,687	18,537				74,150						
Total	362,052	45,474	10	4,547	40,927	316,378	357,305	(b) 3.5	12,313	344,992	(b) 4.1	14,145
Public Relations	15,391	0		0	0	15,391	15,391	(c) 5.5	847	14,544	(d) 4.2	611
Total	377,443	45,474		4,547	40,927	331,969	372,696	x x	13,160	359,536	x x	14,756
1927												
Administration	62,547	6,255				56,292						
Personnel	203,982	20,398				183,584						
Special Training	74,368	14,874				59,494						
Total	340,797	41,507	10	4,151	37,356	299,370	336,646	(b) 4.1	13,808	322,838	(b) 4.2	13,559
Public Relations	15,431	0		0	0	15,431	15,431	(c) 5.9	910	14,521	(d) 4.2	610
Total	356,228	41,507		4,151	37,356	314,721	352,077	x x	14,718	337,359	x x	14,169
1928												
Administration	64,007	6,400				57,607						
Personnel	202,197	20,220				181,977						
Special Training	77,240	15,448				61,792						
Total	343,444	42,132	10	4,213	37,919	301,432	339,351	(b) 4.6	15,619	323,732	(b) 4.4	14,250
Public Relations	15,838	0		0	0	15,838	15,838	(c) 6.6	1,045	14,793	(d) 4.3	636
Total	359,282	42,132		4,213	37,919	317,270	355,189	x x	16,664	338,525	x x	14,886
1929												
Administration	67,918	6,792				61,126						
Personnel	231,143	23,114				208,029						
Special Training	89,109	17,822				71,287						
Total	388,170	47,728	10	4,773	42,955	340,442	383,397	(b) 5.8	22,237	361,160	(b) 4.3	15,530
Public Relations	17,243	0		0	0	17,243	17,243	(c) 7.4	1,277	15,966	(d) 4.4	708
Total	405,413	47,728		4,773	42,955	357,705	400,640	x x	23,514	377,126	x x	16,238
1930												
Administration	82,652	8,267				74,385						
Personnel	200,237	20,023				180,206						
Special Training	91,831	18,367				73,234						
Total	374,720	46,656	10	4,665	41,991	327,824	369,780	(b) 6.2	22,935	346,845	(b) 4.3	14,947
Public Relations	17,288	0		0	0	17,288	17,288	(c) 7.9	1,365	15,923	(d) 4.3	685
Total	391,648	46,656		4,665	41,991	345,112	387,068	x x	24,300	362,768	x x	15,632
1931												
Administration	61,834	6,183				55,651						

Year	No. 193 (1)	No. 193 (2)	Cent of Col.(2) (a)	Amount	(2 less 3) (4)	No. 193 (5)	(4 + 5) (6)	of Col. (6)	Amount	(6 less 7) (8)	Per Cent of Col.(8)	Amount
Administration	$ 56,996	$ 5,700		$	$	$ 51,296	$		$	$		$
Personnel	131,946	13,195				118,751						
Special Training	28,435	6,487				25,948						
Total	221,377	25,382	10	2,538	22,844	195,995	218,839	(b) 3.5	7,659	211,180	(b) 4.3	9,081
Public Relations	80,458	0		0	0	80,458	80,458	(c) 5.8	4,667	75,791	(d) 4.6	3,486
Total	301,835	25,382		2,538	22,844	276,453	299,297	x x	12,326	286,971	x x	12,567
Administration	62,197	6,220				55,977						
Personnel	133,370	13,337				119,943						
Special Training	52,899	11,990				47,219						
Total	253,466	31,527	10	3,153	28,374	222,839	252,213	(b) 3.3	8,323	243,890	(b) 4.2	10,243
Public Relations	14,223	0		0	0	14,223	14,223	(c) 5.5	782	13,441	(d) 4.5	605
Total	267,689	31,527		3,153	28,374	238,062	266,436	x x	9,105	257,331	x x	10,848
Administration	62,263	6,226				56,037						
Personnel	156,435	15,644				140,791						
Special Training	84,332	16,866				67,466						
Total	303,030	38,736	10	3,874	34,862	264,294	299,156	(b) 3.1	9,274	289,882	(b) 4.2	12,175
Public Relations	14,719	0		0	0	14,719	14,719	(c) 5.4	795	13,924	(d) 4.3	599
Total	317,749	38,736		3,874	34,862	279,013	313,875	x x	10,069	303,806	x x	12,774
Administration	62,775	6,278				56,497						
Personnel	206,590	20,659				185,931						
Special Training	92,687	18,537				74,150						
Total	362,052	45,474	10	4,547	40,927	316,578	357,505	(b) 3.5	12,513	344,992	(b) 4.1	14,145
Public Relations	15,391	0		0	0	15,391	15,391	(c) 5.5	847	14,544	(d) 4.2	611
Total	377,443	45,474		4,547	40,927	331,969	372,896	x x	13,360	359,536	x x	14,756
Administration	62,547	6,255				56,292						
Personnel	203,982	20,398				183,584						
Special Training	74,268	14,854				59,414						
Total	340,797	41,507	10	4,151	37,356	299,290	336,646	(b) 4.1	13,908	322,848	(b) 4.2	13,559
Public Relations	15,431	0		0	0	15,431	15,431	(c) 5.9	910	14,521	(d) 4.2	610
Total	356,228	41,507		4,151	37,356	314,721	352,077	x x	14,718	337,369	x x	14,169
Administration	64,007	6,400				57,607						
Personnel	203,197	20,320				181,977						
Special Training	77,560	15,512				62,048						
Total	343,764	42,132	10	4,213	37,919	301,632	339,551	(b) 4.6	15,619	323,932	(b) 4.4	14,255
Public Relations	15,838	0		0	0	15,838	15,838	(c) 6.6	1,045	14,793	(d) 4.3	634
Total	359,602	42,132		4,213	37,919	317,470	355,389	x x	16,664	338,725	x x	14,889
Administration	67,918	6,792				61,126						
Personnel	231,143	23,114				208,029						
Special Training	89,109	17,822				71,287						
Total	388,170	47,728	10	4,773	42,955	340,442	383,397	(b) 5.8	22,237	361,160	(b) 4.3	15,530
Public Relations	17,263	0		0	0	17,263	17,263	(c) 7.4	1,277	15,986	(d) 4.4	703
Total	405,433	47,728		4,773	42,955	357,705	400,660	x x	23,514	377,146	x x	16,233
Administration	82,652	8,267				74,385						
Personnel	200,227	20,023				180,204						
Special Training	91,531	18,307				73,224						
Total	374,410	46,596	10	4,660	41,936	327,814	369,750	(b) 6.2	22,925	346,825	(b) 4.2	14,567
Public Relations	17,288	0		0	0	17,288	17,288	(c) 7.9	1,369	15,919	(d) 4.3	688
Total	391,698	46,596		4,660	41,936	345,102	387,038	x x	24,294	362,744	x x	15,250
Administration	68,884	6,888				61,996						
Personnel	148,674	14,868				130,936						
Special Training	77,112	15,422				61,690						
Total	294,670	36,858	10	3,686	33,172	254,612	287,784	(b) 5.4	15,540	272,244	(b) 3.9	10,618
Public Relations	16,462	0		0	0	16,462	16,462	(c) 7.7	1,268	15,194	(d) 4.3	654
Total	307,832	36,858		3,686	33,172	271,074	304,246	x x	16,808	287,438	x x	11,272

(a) Allocated to "Non-License" on the basis of Employees of American Tel. and Tel. Co. - General Department, Western Electric, Bell Laboratories, Electrical Research Products and Graybar, engaged in "Non-Bell" activities.

(b) Allocated to Long Lines and Ohio Bell Telephone Company on the basis of Employees.

(c) Allocated to Long Lines on the basis of a composite of Plant Investment, Employees, Expenses and Total Telephone Revenues.

(d) Allocated to Ohio Bell Telephone Company on the basis of a composite of Stations, Plant Investment, Employees, Expenses and Total Telephone Revenues.

EXHIBIT A-151-B

[illegible] TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN FURNISHING LICENSE CONTRACT SERVICES

[illegible] AND MEDICAL DEPARTMENT — YEARS 1953 - 1931

	Column 4 Deposition Exhibit No. 193 (1)	Allocated to "Other" by Deposition Exhibit No. 193 (2)	Deduction for "non-License" Items (3) For Cent of Col. (2)	Deduction for "non-License" Items (3) Amount	Balance "Other" Allocable to License Contract (2 less 3) (4)	Allocated directly to License Contract by Deposition Exhibit No. 193 (5)	Total License Contract Associated Companies (including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (7) For Cent of Col. (6)	Allocated to Long Lines (7) Amount	Balance Associated Companies (including Bell of Canada) (6 less 7) (8)	Allocated to Ohio Bell Telephone Company (9) For Cent of Col. (8)	Allocated to Ohio Bell Telephone Company (9) Amount
General Staff	$ 43,587	$ 8,717	(a) 10	$ 872	$ 7,845	$ 36,870	$ 42,715	(d) 3.5	$ 1,495	$ 41,220	(d) 4.3	$ 1,772
Benefit	34,484											
Medical	(b) 35,808											
Benefit Payments, etc.	172,894											
Total	283,180	x x	(a) 5	13,436	x x	x x	240,464	(a) 5.8	13,947	226,517	(f) 4.6	10,480
Total	296,707	x x		13,588	x x	x x	283,179		13,462	267,737		12,102
General Staff	57,387	11,517	(a) 10	1,152	10,365	46,070	56,435	(d) 3.3	1,862	54,573	(d) 4.3	2,332
Benefit	34,724											
Medical	30,258											
Benefit Payments, etc.	183,625											
Total	188,289	x x	(a) 5	9,414	x x	x x	178,875	(g) 5.3	9,538	169,337	(f) 4.3	7,407
Total	345,896	x x		10,566	x x	x x	335,310		11,700	323,610		9,809
General Staff	105,089	20,418	(a) 10	2,042	18,376	81,671	100,047	(d) 3.1	3,101	96,946	(d) 4.3	4,072
Benefit	13,040											
Medical	37,711											
Benefit Payments, etc.	130,994											
Total	183,683	x x	(a) 5	9,184	x x	x x	174,501	(a) 5.4	9,423	165,078	(f) 4.3	7,098
Total	283,774	x x		11,226	x x	x x	274,548		12,524	262,024		11,170
General Staff	150,221	20,078	(a) 10	2,008	17,070	130,114	147,184	(d) 3.5	5,138	142,046	(d) 4.1	5,851
Benefit	17,229											
Medical	34,464											
Benefit Payments, etc.	128,133											
Total	180,125	x x	(a) 5	9,006	x x	x x	171,119	(g) 5.5	9,412	161,707	(f) 4.3	6,781
Total	330,817	x x		12,014	x x	x x	318,803		14,570	303,233		12,632
General Staff	164,248	33,374	(a) 10	3,337	29,947	133,094	163,041	(d) 4.1	6,688	156,356	(d) 4.3	6,547
Benefit	20,579											
Medical	36,887											
Benefit Payments, etc.	156,883											
Total	413,819	x x	(a) 5	20,791	x x	x x	393,028	(a) 5.9	23,207	371,721	(f) 4.3	15,613
Total	582,197	x x		24,128	x x	x x	558,069		29,895	528,077		22,159
General Staff	180,359	36,112	(a) 10	3,611	32,501	144,447	176,948	(d) 4.6	8,140	168,808	(d) 4.4	7,429
Benefit	20,913											
Medical	38,208											
Benefit Payments, etc.	223,136											
Total	394,297	x x	(a) 5	19,213	x x	x x	383,044	(a) 6.6	24,083	340,951	(f) 4.3	14,661
Total	564,816	x x		22,824	x x	x x	541,992		33,223	509,769		22,090
General Staff	198,284	39,707	(a) 10	3,971	35,736	158,829	194,565	(d) 5.8	11,285	183,280	(d) 4.3	7,881
Benefit	20,605											
Medical	37,732											
Benefit Payments, etc.	224,210											
Total	488,237	x x	(a) 5	22,617	x x	x x	465,620	(g) 7.4	31,799	397,821	(f) 4.4	17,508
Total	650,873	x x		26,588	x x	x x	624,285		43,084	581,201		25,389
[illegible] Staff	229,200	45,840	(a) 10	4,584	41,256	183,360	224,616	(d) 6.2	13,928	210,690	(d) 4.3	9,060
[illegible]	21,290											
[illegible]	37,547											
[illegible] Payments, etc.	220,208											
[illegible]	477,605	x x	(a) 5	23,870	x x	x x	455,435	(g) 7.9	35,979	419,456	(f) 4.3	18,037
[illegible]	708,695	x x		28,564	x x	x x	680,051		48,965	631,105		27,096
[illegible] Staff	231,295	46,259	(a) 10	4,626	41,633	185,034	226,667	(d) 5.4	12,240	214,427	(d) 3.9	8,363
[illegible]	19,988											

General Staff	$ 45,807	$ 8,717	(a) 10	$ 872	$ 7,845	$ 54,870	$ 48,715	(d) 3.5	$ 1,699	$ 41,899	(d) 4.3	$ 1,778
Benefits	54,254											
Medical	(b) 38,808											
Benefit Payments, etc.	172,894											
Total	268,180	x x	(c) 5	13,636	x x	x x	240,664	(d) 5.8	13,247	226,317	(f) 4.6	10,498
Total	266,707	x x		13,888	x x	x x	253,179		13,442	227,787		12,198
1929												
General Staff	37,387	11,517	(a) 10	1,152	10,365	48,070	34,433	(d) 3.3	1,062	34,873	(d) 4.3	2,998
Benefits	34,784											
Medical	30,958											
Benefit Payments, etc.	122,623											
Total	188,380	x x	(c) 5	9,414	x x	x x	178,973	(c) 5.5	9,838	169,857	(f) 4.3	7,697
Total	245,576	x x		10,566	x x	x x	235,210		11,700	223,510		9,866
1930												
General Staff	108,089	20,418	(a) 10	2,042	18,376	81,671	100,047	(d) 3.1	3,102	96,946	(d) 4.3	4,272
Benefits	13,640											
Medical	37,711											
Benefit Payments, etc.	130,934											
Total	182,685	x x	(c) 5	9,184	x x	x x	174,301	(c) 5.4	9,422	165,078	(f) 4.3	7,098
Total	285,774	x x		11,226	x x	x x	274,548		12,524	262,024		11,170
1931												
General Staff	150,292	30,079	(a) 10	3,008	27,070	120,213	147,284	(d) 3.5	5,158	142,126	(d) 4.1	5,851
Benefits	17,229											
Medical	34,644											
Benefit Payments, etc.	128,133											
Total	180,125	x x	(c) 5	9,006	x x	x x	171,119	(c) 5.5	9,413	161,707	(f) 4.3	6,730
Total	330,417	x x		12,014	x x	x x	318,403		14,570	303,833		12,581
1932												
General Staff	166,268	33,254	(a) 10	3,327	29,947	133,094	163,041	(d) 4.1	6,688	156,356	(d) 4.3	6,747
Benefits	20,579											
Medical	38,857											
Benefit Payments, etc.	156,283											
Total	413,819	x x	(c) 5	20,791	x x	x x	393,028	(c) 5.9	23,207	371,721	(f) 4.8	15,412
Total	582,187	x x		24,118	x x	x x	558,069		29,895	528,077		22,159
1933												
General Staff	180,559	36,112	(a) 10	3,611	32,501	144,447	176,948	(d) 4.9	8,140	168,808	(d) 4.4	7,428
Benefits	20,913											
Medical	38,309											
Benefit Payments, etc.	222,136											
Total	394,297	x x	(c) 5	19,213	x x	x x	365,044	(c) 6.6	24,093	340,951	(f) 4.8	16,441
Total	564,516	x x		22,824	x x	x x	541,992		32,233	509,759		23,669
1934												
General Staff	198,334	39,707	(a) 10	3,971	35,736	158,839	194,543	(d) 5.8	11,285	183,290	(d) 4.3	7,881
Benefits	20,405											
Medical	37,721											
Benefit Payments, etc.	234,210											
Total	488,337	x x	(c) 5	23,419	x x	x x	482,730	(c) 7.4	31,799	397,881	(f) 4.4	17,508
Total	656,673	x x		27,388	x x	x x	636,283		43,084	481,201		25,389
1935												
General Staff	229,200	45,840	(a) 10	4,584	41,256	183,360	224,616	(d) 6.3	13,986	210,630	(d) 4.2	8,849
Benefits	21,290											
Medical	37,547											
Benefit Payments, etc.	420,588											
Total	679,625	x x	(c) 5	33,970	x x	x x	655,435	(c) 7.9	51,979	419,456	(f) 4.3	18,017
Total	908,605	x x		38,554	x x	x x	880,051		65,965	630,146		26,866
1936												
General Staff	231,295	46,259	(a) 10	4,626	41,633	185,034	226,647	(d) 5.4	12,240	214,627	(d) 3.9	8,368
Benefits	19,988											
Medical	34,255											
Benefit Payments, etc.	487,187											
Total	541,470	x x	(c) 5	27,074	x x	x x	514,396	(c) 7.7	39,468	474,928	(f) 4.2	19,941
Total	772,765	x x		31,700	x x	x x	741,065		51,708	689,357		28,309

(a) Per cent of column 2 - Allocated to "Non-license" on the basis of Employees of American Telephone and Telegraph Company - General Department, Western Electric, Bell Laboratories, Electrical Research Products and Graybar, engaged in Non-Bell activities.

(b) Excludes $4,200 specifically allocated.

(c) Per cent of column (1) allocated on the basis of the overall "Non-license" activities of the General Department. The balance, allocable to License Contract, is shown in column (6).

Allocated to:

(d) Long Lines and Ohio Bell Telephone Company on the basis of Employees.

(e) Long Lines on the basis of a composite of Plant Investment, Employees, Expenses and Total Telephone Revenues.

(f) Ohio Bell Telephone Company on the basis of a composite of Stations, Plant Investment, Employees, Expenses and Total Telephone Revenues.

EXHIBIT A-[illegible]

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED

IN RENDERING LICENSE CONTRACT SERVICES

PERSONNEL DEPARTMENT

SUMMARY

YEARS 1923 - 1931

	Column 4 Deposition Exhibit No. 193	Allocated to Ohio Bell Telephone Company
1923		
Personnel Relations	$ 301,835	$12,567
Benefit and Medical	296,707	12,192
Total	598,542	24,759
1924		
Personnel Relations	269,589	10,848
Benefit and Medical	245,876	9,899
Total	515,465	20,747
1925		
Personnel Relations	317,749	12,774
Benefit and Medical	285,774	11,170
Total	603,523	23,944
1926		
Personnel Relations	377,443	14,756
Benefit and Medical	330,517	12,623
Total	707,960	27,379
1927		
Personnel Relations	356,228	14,169
Benefit and Medical	582,187	22,179
Total	938,415	36,348
1928		
Personnel Relations	359,602	14,889
Benefit and Medical	564,816	22,089
Total	924,418	36,978
1929		
Personnel Relations	405,433	16,233
Benefit and Medical	650,873	25,390
Total	1,056,306	41,623
1930		
Personnel Relations	391,668	15,250
Benefit and Medical	708,605	26,886
Total	1,100,273	42,136
1931		
Personnel Relations	307,932	11,256
Benefit and Medical	772,763	28,304
Total	1,080,695	39,560

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EXHIBIT A-153-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

PUBLIC RELATIONS

YEARS 1923 - 1931

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Allocated to Long Lines (3)		Balance Associated Companies (Including Bell of Canada) (4)	Allocated to Ohio Bell Telephone Compa (5)	
			Per Cent of Col. (2)	Amount		Per Cent of Col.(4)	Am
Representation of Companies before Federal Government and National Trade Organizations *:							
1923		$ 0		$ 0	$ 0		$
1924	3	21,878	5.5	1,203	20,675	4.5	
1925	3	27,751	5.4	1,499	26,252	4.3	1
1926	3	27,365	5.5	1,505	25,860	4.2	1
1927	3	27,471	5.9	1,621	25,850	4.2	1
1928	3	27,878	6.6	1,840	26,038	4.3	1
1929	3	27,310	7.4	2,021	25,289	4.4	1
1930	4	27,494	7.9	2,172	25,322	4.3	1
1931	(a)	15,226	7.7	1,172	14,054	4.2	
Development of telephone use in different types of business /:							
1923	-	-		-	-		
1924	-	-		-	-		
1925	-	-		-	-		
1926	-	-		-	-		
1927	-	-		-	-		
1928	-	-		-	-		
1929	2	8,431	8.7	733	7,698	4.3	
1930	2	21,973	8.6	1,890	20,083	4.2	
1931	2	23,213	8.4	1,950	21,263	4.2	
Total Public Relations:							
1923		0		0	0		
1924	3	21,878		1,203	20,675		
1925	3	27,751		1,499	26,252		
				1,505	25,860		

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Allocated to Long Lines (3)		Balance Associated Companies (Including Bell of Canada) (4)	Allocated to Ohio Bell Telephone Compa (5)	
			Per Cent of Col. (2)	Amount		Per Cent of Col.(4)	Am
Representation of Companies before Federal Government and National Trade Organizations *:							
1923		$ 0		$ 0	$ 0		$
1924	3	21,878	5.5	1,203	20,675	4.5	
1925	3	27,751	5.4	1,499	26,252	4.3	1
1926	3	27,365	5.5	1,505	25,860	4.2	1
1927	3	27,471	5.9	1,621	25,850	4.2	1
1928	3	27,878	6.6	1,840	26,038	4.3	1
1929	3	27,310	7.4	2,021	25,289	4.4	1
1930	4	27,494	7.9	2,172	25,322	4.3	1
1931	(a)	15,226	7.7	1,172	14,054	4.2	
Development of telephone use in different types of business /:							
1923	-	-		-	-		
1924	-	-		-	-		
1925	-	-		-	-		
1926	-	-		-	-		
1927	-	-		-	-		
1928	-	-		-	-		
1929	2	8,431	8.7	733	7,698	4.3	
1930	2	21,973	8.6	1,890	20,083	4.2	
1931	2	23,213	8.4	1,950	21,263	4.2	
Total Public Relations:							
1923		0		0	0		
1924	3	21,878		1,203	20,675		
1925	3	27,751		1,499	26,252		
1926	3	27,365		1,505	25,860		
1927	3	27,471		1,621	25,850		
1928	3	27,878		1,840	26,038		
1929	5	35,741		2,754	32,987		
1930	6	49,467		4,062	45,405		
1931	2	38,439		3,122	35,317		

* Allocated:
To the Long Lines on the basis of a composite ratio of Plant, Employees, Expenses, and Total Telephone Reve
To the Ohio Bell Telephone Company on the composite of the above factors plus Stations.

/ Allocated to Long Lines and to Ohio Bell Telephone Company on the basis of Total Telephone Revenues.

(a) Transferred to Legal Department in 1931.

EXHIBIT A-153-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

PUBLIC RELATIONS

YEARS 1923 - 1931

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Allocated to Long Lines (3)		Balance Associated Companies (Including Bell of Canada) (4)	Allocated to Ohio Bell Telephone Company (5)	
			Per Cent of Col. (2)	Amount		Per Cent of Col.(4)	Amount
on of Companies before vernment and National nizations *:							
		$ 0		$ 0	$ 0		$ 0
	3	21,878	5.5	1,203	20,675	4.5	930
	3	27,751	5.4	1,499	26,252	4.3	1,129
	3	27,365	5.5	1,505	25,860	4.2	1,086
	3	27,471	5.9	1,621	25,850	4.2	1,086
	3	27,878	6.6	1,840	26,038	4.3	1,120
	3	27,310	7.4	2,021	25,289	4.4	1,113
	4	27,494	7.9	2,172	25,322	4.3	1,089
	(a)	15,226	7.7	1,172	14,054	4.2	590
of telephone use in types of business #:							
	-	-		-	-		-
	-	-		-	-		-
	-	-		-	-		-
	-	-		-	-		-
	-	-		-	-		-
	-	-		-	-		-
	2	8,431	8.7	733	7,698	4.3	331
	2	21,973	8.6	1,890	20,083	4.2	843
	2	23,213	8.4	1,950	21,263	4.2	893
Relations:							
		0		0	0		0
	3	21,878		1,203	20,675		930
	3	27,751		1,499	26,252		1,129
	3	27,365		1,505	25,860		1,086
	3	27,471		1,621	25,850		1,086
	3	27,878		1,840	26,038		1,120

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Allocated to Long Lines (3)		Balance Associated Companies (Including Bell of Canada) (4)	Allocated to Ohio Bell Telephone Company (5)	
			Per Cent of Col. (2)	Amount		Per Cent of Col.(4)	Amount
n of Companies before ernment and National izations *:							
		$ 0		$ 0	$ 0		$ 0
	3	21,878	5.5	1,203	20,675	4.5	930
	3	27,751	5.4	1,499	26,252	4.3	1,129
	3	27,365	5.5	1,505	25,860	4.2	1,086
	3	27,471	5.9	1,621	25,850	4.2	1,086
	3	27,878	6.6	1,840	26,038	4.3	1,120
	3	27,310	7.4	2,021	25,289	4.4	1,113
	4	27,494	7.9	2,172	25,322	4.3	1,089
	(a)	15,226	7.7	1,172	14,054	4.2	590
of telephone use in ypes of business /:							
	-	-		-	-		-
	-	-		-	-		-
	-	-		-	-		-
	-	-		-	-		-
	-	-		-	-		-
	-	-		-	-		-
	2	8,431	8.7	735	7,698	4.3	331
	2	21,973	8.6	1,890	20,083	4.2	843
	2	23,213	8.4	1,950	21,263	4.2	893
Relations:							
		0		0	0		0
	3	21,878		1,203	20,675		930
	3	27,751		1,499	26,252		1,129
	3	27,365		1,505	25,860		1,086
	3	27,471		1,621	25,850		1,086
	3	27,878		1,840	26,038		1,120
	5	35,741		2,754	32,987		1,444
	6	49,467		4,062	45,405		1,932
	2	38,439		3,122	35,317		1,483

* Allocated:
To the Long Lines on the basis of a composite ratio of Plant, Employees, Expenses, and Total Telephone Revenues.
To the Ohio Bell Telephone Company on the composite of the above factors plus Stations.

/ Allocated to Long Lines and to Ohio Bell Telephone Company on the basis of Total Telephone Revenues.

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(a) Transferred to Legal Department in 1931.

EXHIBIT A-154-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVI

TREASURER'S DEPARTMENT

YEARS 1923 - 1931

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" Items 6% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Can (6)
					Per Cent of Col.(4) *	Amount	
. . . . .	276	$ 954,861	$ 57,292	$ 897,569	5.8	$ 52,059	$ 845,51
. . . . .	259	1,258,097	75,486	1,182,611	5.5	65,044	1,117,56
. . . . .	250	944,914	56,695	888,219	5.4	47,964	840,25
. . . . .	260	1,381,752	82,905	1,298,847	5.5	71,437	1,227,41
. . . . .	261	1,103,130	66,188	1,036,942	5.9	61,180	975,76
. . . . .	266	1,648,226	98,894	1,549,332	6.6	102,256	1,447,07
. . . . .	297	1,591,063	95,464	1,495,599	7.4	110,674	1,384,92
. . . . .	361	2,499,674	149,980	2,349,694	7.9	185,626	2,164,06
. . . . .	351	1,652,282	99,137	1,553,145	7.7	119,592	1,433,55

* Allocated:

To the Long Lines on the basis of a composite ratio of Plant, Employees, Expenses and Total Telephone Revenues.
To the Ohio Bell Telephone Company on the basis of the above factors plus Stations.

EXHIBIT A-154-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

TREASURER'S DEPARTMENT

YEARS 1923 - 1931

Total Expenses (2)	Deduction for "Non-License" Items 6% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
			Per Cent of Col.(4) *	Amount		Per Cent of Col.(6)*	Amount
$ 954,861	$ 57,292	$ 897,569	5.8	$ 52,059	$ 845,510	4.6	$38,893
1,258,097	75,486	1,182,611	5.5	65,044	1,117,567	4.5	50,291
944,914	56,695	888,219	5.4	47,964	840,255	4.3	36,131
1,381,752	82,905	1,298,847	5.5	71,437	1,227,410	4.2	51,551
1,103,130	66,188	1,036,942	5.9	61,180	975,762	4.2	40,982
1,648,226	98,894	1,549,332	6.6	102,256	1,447,076	4.3	62,224
1,591,063	95,464	1,495,599	7.4	110,674	1,384,925	4.4	60,937
2,499,674	149,980	2,349,694	7.9	185,626	2,164,068	4.3	93,035
1,652,282	99,137	1,553,145	7.7	119,592	1,433,553	4.2	60,209

* Allocated:

To the Long Lines on the basis of a composite ratio of Plant, Employees, Expenses and Total Telephone Revenues.
To the Ohio Bell Telephone Company on the basis of the above factors plus Stations.

EXHIBIT A-155-B (Sheet No. 1)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

COMPTROLLER'S DEPARTMENT

YEARS 1923 - 1931

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)	
					Per Cent of Col.(4)*	Amount
1923 -						
Bell System Methods	66	$ 186,980				
Chief Traveling Auditor	25	134,890				
General Books and Records	43	110,722				
Chief Statistician	91	203,055				
Chief Accountant	5	19,811				
Bell System Reports	20	76,105				
Undistributed	-	203,980				
Administration	4	37,030				
Total	254	$ 972,573	$ 48,629	$ 923,944	5.8	$ 53,588
1924 -						
Bell System Methods	64	$ 212,296				
Chief Traveling Auditor	28	152,738				
General Books and Records	50	121,885				
Chief Statistician	100	242,402				
Chief Accountant	6	25,768				
Bell System Reports	22	77,344				
Undistributed	-	195,364				
Administration	3	42,940				
Total	273	$1,070,737	$ 53,537	$1,017,200	5.5	$ 55,946
1925 -						
Bell System Methods	77	$ 245,128				
Chief Traveling Auditor	32	191,395				
General Books and Records	51	127,904				
Chief Statistician	99	264,086				
Chief Accountant	6	34,708				
Bell System Reports	19	78,500				
Undistributed	-	193,284				
Administration	3	41,715				

COMPTROLLER'S DEPARTMENT

YEARS 1923 - 1931

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)	
					Per Cent of Col.(4)*	Amount
1923 -						
Bell System Methods	66	$ 186,980				
Chief Traveling Auditor	25	134,890				
General Books and Records	43	110,722				
Chief Statistician	91	203,055				
Chief Accountant	5	19,811				
Bell System Reports	20	76,105				
Undistributed	-	203,980				
Administration	4	37,030				
Total	254	$ 972,573	$ 48,629	$ 923,944	5.8	$ 53,588
1924 -						
Bell System Methods	64	$ 212,296				
Chief Traveling Auditor	28	152,738				
General Books and Records	50	121,885				
Chief Statistician	100	242,402				
Chief Accountant	6	25,768				
Bell System Reports	22	77,344				
Undistributed	-	195,364				
Administration	3	42,940				
Total	273	$1,070,737	$ 53,537	$1,017,200	5.5	$ 55,946
1925 -						
Bell System Methods	77	$ 245,128				
Chief Traveling Auditor	32	191,395				
General Books and Records	51	127,904				
Chief Statistician	99	264,086				
Chief Accountant	6	34,708				
Bell System Reports	19	78,500				
Undistributed	-	193,284				
Administration	3	41,715				
Total	287	$1,176,720	$ 58,836	$1,117,884	5.4	$ 60,366

* Composite of Plant Investment, Employees, Expenses and Total Telephone Revenues.

/ Composite of Stations, Plant Investment, Employees, Expenses and Total Telephone Revenues.

EXHIBIT A-155-B (Sheet No. 1)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

COMPTROLLER'S DEPARTMENT

YEARS 1923 - 1931

Total Expenses (2)	Deduction for "Non-License" 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
			Per Cent of Col.(4)*	Amount		Per Cent of Col.(6)*	Amount
$ 186,980 134,890 110,722 203,055 19,811 76,105 203,980 37,030							
$ 972,573	$ 48,629	$ 923,944	5.8	$ 53,588	$ 870,356	4.6	$40,036
$ 212,296 152,738 121,885 242,402 25,768 77,344 195,364 42,940							
$1,070,737	$ 53,537	$1,017,200	5.5	$ 55,946	$ 961,254	4.5	$43,256
$ 245,128 191,395 127,904 264,086 34,708 78,500 193,284							

COMPTROLLER'S DEPARTMENT

YEARS 1923 - 1931

Total Expenses (2)	Deduction for "Non-License" 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
			Per Cent of Col.(4)*	Amount		Per Cent of Col.(6)/	Amount
$ 186,980 134,890 110,722 203,055 19,811 76,105 203,980 37,030							
$ 972,573	$ 48,629	$ 923,944	5.8	$ 53,588	$ 870,356	4.6	$40,036
$ 212,296 152,738 121,885 242,402 25,768 77,344 195,364 42,940							
$1,070,737	$ 53,537	$1,017,200	5.5	$ 55,946	$ 961,254	4.5	$43,256
$ 245,128 191,395 127,904 264,086 34,708 78,500 193,284 41,715							
$1,176,720	$ 58,836	$1,117,884	5.4	$ 60,366	$1,057,518	4.3	$45,473

* Composite of Plant Investment, Employees, Expenses and Total Telephone Revenues.

/ Composite of Stations, Plant Investment, Employees, Expenses and Total Telephone Revenues.

EXHIBIT A-155-B (Sheet No. 2)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVI

COMPTROLLER'S DEPARTMENT

YEARS 1923 - 1931

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		B
					Per Cent of Col.(4)*	Amount	
1926 -							
Bell System Methods	86	$ 276,794					
Chief Traveling Auditor	33	198,688					
General Books and Records	60	142,351					
Chief Statistician	118	292,594					
Chief Accountant	6	38,474					
Bell System Reports	18	79,585					
Undistributed	-	237,557					
Administration	3	40,571					
Total	324	$1,306,614	$65,330	$1,241,284	5.5	$68,270	
1927 -							
Bell System Methods	87	$ 298,690					
Chief Traveling Auditor	33	204,764					
General Books and Records	60	158,662					
Chief Statistician	117	325,119					
Chief Accountant	6	44,778					
Bell System Reports	18	82,242					
Undistributed	-	250,257					
Administration	3	47,719					
Total	324	$1,412,231	$70,611	$1,341,620	5.9	$79,155	
1928 -							
Bell System Methods	81	$ 299,111					
Chief Traveling Auditor	35	218,979					
General Books and Records	58	168,570					
Chief Statistician	118	358,040					
Chief Accountant	7	43,749					
Bell System Reports	17	86,784					
Undistributed	-	260,699					
Administration	3	53,933					
Total	319	$1,484,471	$74,223	$1,410,248	6.6	$93,076	

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Be
					Per Cent of Col.(4)*	Amount	
1926 -							
Bell System Methods	86	$ 276,794					
Chief Traveling Auditor	33	198,688					
General Books and Records	60	142,351					
Chief Statistician	118	292,594					
Chief Accountant	6	38,474					
Bell System Reports	18	79,585					
Undistributed	-	237,557					
Administration	3	40,571					
Total	324	$1,306,614	$65,330	$1,241,284	5.5	$68,270	
1927 -							
Bell System Methods	87	$ 298,690					
Chief Traveling Auditor	33	204,764					
General Books and Records	60	158,662					
Chief Statistician	117	325,119					
Chief Accountant	6	44,778					
Bell System Reports	18	82,242					
Undistributed	-	250,257					
Administration	3	47,719					
Total	324	$1,412,231	$70,611	$1,341,620	5.9	$79,155	
1928 -							
Bell System Methods	81	$ 299,111					
Chief Traveling Auditor	35	218,979					
General Books and Records	58	168,570					
Chief Statistician	118	352,646					
Chief Accountant	7	43,749					
Bell System Reports	17	86,784					
Undistributed	-	260,699					
Administration	3	53,933					
Total	319	$1,484,471	$74,223	$1,410,248	6.6	$93,076	

* Composite of Plant Investment, Employees, Expenses and Total Telephone Revenues.

/ Composite of Stations, Plant Investment, Employees, Expenses and Total Telephone Revenues.

EXHIBIT A-155-B (Sheet No. 2)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

COMPTROLLER'S DEPARTMENT

YEARS 1923 - 1931

Total Expenses (2)	Deduction for "Non-License" 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
			Per Cent of Col.(4)*	Amount		Per Cent of Col.(6)/	Amount
$ 276,794 198,688 142,351 292,594 38,474 79,585 237,557 40,571							
$1,306,614	$65,330	$1,241,284	5.5	$68,270	$1,173,014	4.2	$49,267
$ 298,690 204,764 158,662 325,119 44,778 82,242 250,257 47,719							
$1,412,231	$70,611	$1,341,620	5.9	$79,155	$1,262,465	4.2	$53,024
$ 299,111 218,979 168,570 358,046 43,749 86,784 260,699 53,933							
$1,494,471	$74,223	$1,410,248	6.6	$93,076	$1,317,172		

Total Expenses (2)	Deduction for "Non-License" 5% of Col.(2) (3)	Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Ohio Bell Telephone Company (7)	
			Per Cent of Col.(4)*	Amount		Per Cent of Col.(6)/	Amount
$ 276,794 198,688 142,351 292,594 38,474 79,585 237,557 40,571							
$1,306,614	$65,330	$1,241,284	5.5	$68,270	$1,173,014	4.2	$49,267
$ 298,690 204,764 158,662 325,119 44,778 82,242 250,257 47,719							
$1,412,231	$70,611	$1,341,620	5.9	$79,155	$1,262,465	4.2	$53,024
$ 299,111 218,979 168,570 352,846 43,749 86,784 260,699 53,933							
$1,484,471	$74,223	$1,410,248	6.6	$93,076	$1,317,172	4.3	$56,638

* Composite of Plant Investment, Employees, Expenses and Total Telephone Revenues.

/ Composite of Stations, Plant Investment, Employees, Expenses and Total Telephone Revenues.

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EXHIBIT A-155-B (Sheet No. 3)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

COMPTROLLER'S DEPARTMENT

YEARS 1923 - 1931

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Bell Associated Co. (Including Bell
					Per Cent of Col.(4)*	Amount	
1929 -							
Bell System Methods	90	$ 319,861					
Chief Traveling Auditor	37	225,685					
General Books and Records	64	185,427					
Chief Statistician	123	370,798					
Chief Accountant	7	54,167					
Bell System Reports	17	86,754					
Undistributed	-	275,873					
Administration	3	50,257					
Total	341	$1,566,822	$ 78,341	$1,488,481	7.4	$110,147	$1
1930 -							
Bell System Methods	94	$ 346,110					
Chief Traveling Auditor	39	237,307					
General Books and Records	76	210,666					
Chief Statistician	120	401,090					
Chief Accountant	7	58,843					
Bell System Reports	16	90,930					
Undistributed	-	306,784					
Administration	3	52,932					
Total	355	$1,704,662	$ 85,233	$1,619,429	7.9	$127,935	$
1931 -							
Bell System Methods	90	$ 341,991					
Chief Traveling Auditor	39	252,061					
General Books and Records	78	213,155					
Chief Statistician	115	386,727					
Chief Accountant	7	57,218					
Bell System Reports	16	79,246					
Undistributed	-	305,578					
Administration	3	56,099					
Total	348	$1,692,075	$ 84,604	$1,607,471	7.7	$123,775	$

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		B Asso Co (In Bell
					Per Cent of Col.(4)*	Amount	
1929 -							
Bell System Methods	90	$ 319,861					
Chief Traveling Auditor . .	37	225,685					
General Books and Records .	64	183,427					
Chief Statistician	123	370,798					
Chief Accountant	7	54,167					
Bell System Reports	17	86,754					
Undistributed	-	275,873					
Administration	3	50,257					
Total	341	$1,566,822	$ 78,341	$1,488,481	7.4	$110,147	$1,
1930 -							
Bell System Methods	94	$ 346,110					
Chief Traveling Auditor . .	39	237,307					
General Books and Records .	76	210,666					
Chief Statistician	120	401,090					
Chief Accountant	7	58,843					
Bell System Reports	16	90,930					
Undistributed	-	306,784					
Administration	3	52,932					
Total	355	$1,704,662	$ 85,233	$1,619,429	7.9	$127,935	$1
1931 -							
Bell System Methods	90	$ 341,991					
Chief Traveling Auditor . .	39	252,061					
General Books and Records .	78	213,155					
Chief Statistician	115	386,727					
Chief Accountant	7	57,218					
Bell System Reports	16	79,246					
Undistributed	-	305,578					
Administration	3	56,099					
Total	348	$1,692,075	$ 84,604	$1,607,471	7.7	$123,775	$

* Composite of Plant Investment, Employees, Expenses and Total Telephone Revenues.

y Composite of Stations, Plant Investment, Employees, Expenses and Total Telephone Revenues.

3354. H

EXHIBIT A-155-B (Sheet No. 3)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

COMPTROLLER'S DEPARTMENT

YEARS 1923 - 1931

Total Expenses (2)	Deduction for "Non-License" 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
			Per Cent of Col.(4)*	Amount		Per Cent of Col.(6)†	Amount
$ 319,861 225,685 183,427 370,798 54,167 86,754 275,873 50,257							
$1,566,822	$ 78,341	$1,488,481	7.4	$110,147	$1,378,334	4.4	$60,647
$ 346,110 237,307 210,666 401,090 58,843 90,930 306,784 52,932							
$1,704,662	$ 85,233	$1,619,429	7.9	$127,935	$1,491,494	4.3	$64,134
$ 341,991 252,061 213,155 386,727 57,218 79,246 302,378 56,099							

Total Expenses (2)	Deduction for "Non-License" 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
			Per Cent of Col.(4)*	Amount		Per Cent of Col.(6)ƒ	Amount
$ 319,861 225,685 183,427 370,798 54,167 86,754 275,873 50,257							
$1,566,822	$ 78,341	$1,488,481	7.4	$110,147	$1,378,334	4.4	$60,647
$ 346,110 237,307 210,666 401,090 58,843 90,930 306,784 52,932							
$1,704,662	$ 85,233	$1,619,429	7.9	$127,935	$1,491,494	4.3	$64,134
$ 341,991 252,061 213,155 386,727 57,218 79,246 305,578 56,099							
$1,692,075	$ 84,604	$1,607,471	7.7	$123,775	$1,483,696	4.2	$62,315

* Composite of Plant Investment, Employees, Expenses and Total Telephone Revenues.

ƒ Composite of Stations, Plant Investment, Employees, Expenses and Total Telephone Revenues.

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3354. H

EXHIBIT A-156-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

SECRETARY'S DEPARTMENT

YEARS 1923 - 1931

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-Licence" Items 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
					Per Cent of Col.(4)	Amount		Per Cent of Col.(6)	Amount
				(a)$ 4,372	x x	$1,093	$ 3,279		
				(b) 51,255	5.8	2,973	48,282		
1923	11	$58,555	$2,928	$55,627	x x	$4,066	$51,561	4.6	$2
				(a)$ 4,945	x x	$1,236	$ 3,709		
				(b) 55,589	5.5	3,057	52,532		
1924	10	$63,720	$3,186	$60,534	x x	$4,293	$56,241	4.5	$2
				(a)$ 4,776	x x	$1,194	$ 3,582		
				(b) 54,949	5.4	2,967	51,982		
1925	10	$62,868	$3,143	$59,725	x x	$4,161	$55,564	4.3	$2
				(a)$ 4,973	x x	$1,243	$ 3,730		
				(b) 57,844	5.5	3,181	54,663		
1926	10	$66,123	$3,306	$62,817	x x	$4,424	$58,393	4.2	$2
				(a)$ 5,076	x x	$1,269	$ 3,807		
				(b) 55,376	5.9	3,267	52,109		
1927	10	$63,634	$3,182	$60,452	x x	$4,536	$55,916	4.2	$2
				(a)$ 5,397	x x	$1,323	$ 4,074		
				(b) 59,643	6.6	3,936	55,707		
1928	9	$68,463	$3,423	$65,040	x x	$5,259	$59,781	4.3	$2
				(a)$ 5,847	x x	$1,462	$ 4,385		
				(b) 60,034	7.4	4,443	55,591		
1929	10	$69,348	$3,467	$65,881	x x	$5,905	$59,976	4.4	$2
				(a)$ 6,178	x x	$1,545	$ 4,633		
				(b) 58,787	7.9	4,644	54,143		
1930	8	$68,384	$3,419	$64,965	x x	$6,189	$58,776	4.3	$2
				(a)$ 5,128	x x	$1,282	$ 3,846		
				(b) 48,398	7.7	3,727	44,671		
1931	8	$56,343	$2,817	$53,526	x x	$5,009	$48,517	4.2	$1

(a) Specific services.

(b) Balance allocated:
To Long Lines on the basis of a composite ratio of Plant, Employees,
[illegible]

SECRETARY'S DEPARTMENT

YEARS 1923 - 1931

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" Items 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5) Per Cent of Col.(4)	Allocated to Long Lines (5) Amount	Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7) Per Cent of Col.(6)	Allocated to Ohio Bell Telephone Company (7) Amo
				(a)$ 4,372	x x	$1,093	$ 3,279		
				(b) 51,255	5.8	2,973	48,282		
1923	11	$58,555	$2,928	$55,627	x x	$4,066	$51,561	4.6	$2,
				(a)$ 4,945	x x	$1,236	$ 3,709		
				(b) 55,589	5.5	3,057	52,532		
1924	10	$63,720	$3,186	$60,534	x x	$4,293	$56,241	4.5	$2,
				(a)$ 4,776	x x	$1,194	$ 3,582		
				(b) 54,949	5.4	2,967	51,982		
1925	10	$62,868	$3,143	$59,725	x x	$4,161	$55,564	4.3	$2,
				(a)$ 4,973	x x	$1,243	$ 3,730		
				(b) 57,844	5.5	3,181	54,663		
1926	10	$66,123	$3,306	$62,817	x x	$4,424	$58,393	4.2	$2,
				(a)$ 5,076	x x	$1,269	$ 3,807		
				(b) 55,376	5.9	3,267	52,109		
1927	10	$63,634	$3,182	$60,452	x x	$4,536	$55,916	4.2	$2,
				(a)$ 5,397	x x	$1,323	$ 4,074		
				(b) 59,643	6.6	3,936	55,707		
1928	9	$68,463	$3,423	$65,040	x x	$5,259	$59,781	4.3	$2,
				(a)$ 5,847	x x	$1,462	$ 4,385		
				(b) 60,034	7.4	4,443	55,591		
1929	10	$69,348	$3,467	$65,881	x x	$5,905	$59,976	4.4	$2,
				(a)$ 6,178	x x	$1,545	$ 4,633		
				(b) 58,787	7.9	4,644	54,143		
1930	8	$68,384	$3,419	$64,965	x x	$6,189	$58,776	4.3	$2,
				(a)$ 5,128	x x	$1,282	$ 3,846		
				(b) 48,398	7.7	3,727	44,671		
1931	8	$56,343	$2,817	$53,526	x x	$5,009	$48,517	4.2	$2

(a) Specific services.

(b) Balance allocated:
To Long Lines on the basis of a composite ratio of Plant, Employees, Expenses and Total Telephone Revenues.
To Ohio Bell Telephone Company on the composite of the above factors plus Stations.

EXHIBIT A-156-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

SECRETARY'S DEPARTMENT

YEARS 1923 - 1931

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" Items 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
					Per Cent of Col.(4)	Amount		Per Cent of Col.(6)	Amount
. . .	11	$58,555	$2,928	(a)$ 4,372 (b) 51,255	x x 5.8	$1,093 2,973	$ 3,279 48,282		
				$55,627	x x	$4,066	$51,561	4.6	$2,372
. . .	10	$63,720	$3,186	(a)$ 4,945 (b) 55,589	x x 5.5	$1,236 3,057	$ 3,709 52,532		
				$60,534	x x	$4,293	$56,241	4.5	$2,531
. . .	10	$62,868	$3,143	(a)$ 4,776 (b) 54,949	x x 5.4	$1,194 2,967	$ 3,582 51,982		
				$59,725	x x	$4,161	$55,564	4.3	$2,389
. . .	10	$66,123	$3,306	(a)$ 4,973 (b) 57,844	x x 5.5	$1,243 3,181	$ 3,730 54,663		
				$62,817	x x	$4,424	$58,393	4.2	$2,453
. . .	10	$63,634	$3,182	(a)$ 5,076 (b) 55,376	x x 5.9	$1,269 3,267	$ 3,807 52,109		
				$60,452	x x	$4,536	$55,916	4.2	$2,348
. . .	9	$68,463	$3,423	(a)$ 5,397 (b) 59,643	x x 6.6	$1,323 3,936	$ 4,074 55,707		
				$65,040	x x	$5,259	$59,781	4.3	$2,571
. . .	10	$69,348	$3,467	(a)$ 5,847 (b) 60,034	x x 7.4	$1,462 4,443	$ 4,385 55,591		
				$65,881	x x	$5,905	$59,976	4.4	$2,639
. . .	8	$68,384	$3,419	(a)$ 6,178 (b) 58,787	x x 7.9	$1,545 4,644	$ 4,633 54,143		
				$64,965	x x	$6,189	$58,776	4.3	$2,527
. . .	8	$56,343	$2,817	(a)$ 5,128 (b) 48,398	x x 7.7	$1,282 3,727	$ 3,846 44,671		
				$53,526	x x	$5,009	$48,517	4.2	$2,038

(a) Specific services.

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" Items 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
					Per Cent of Col.(4)	Amount		Per Cent of Col.(6)	Amount
				(a)$ 4,372	x x	$1,093	$ 3,279		
				(b) 51,255	5.8	2,973	48,282		
. . .	11	$58,555	$2,928	$55,627	x x	$4,066	$51,561	4.6	$2,372
				(a)$ 4,945	x x	$1,236	$ 3,709		
				(b) 55,589	5.5	3,057	52,532		
. . .	10	$63,720	$3,186	$60,534	x x	$4,293	$56,241	4.5	$2,531
				(a)$ 4,776	x x	$1,194	$ 3,582		
				(b) 54,949	5.4	2,967	51,982		
. . .	10	$62,868	$3,143	$59,725	x x	$4,161	$55,564	4.3	$2,389
				(a)$ 4,973	x x	$1,243	$ 3,730		
				(b) 57,844	5.5	3,181	54,663		
. . .	10	$66,123	$3,306	$62,817	x x	$4,424	$58,393	4.2	$2,453
				(a)$ 5,076	x x	$1,269	$ 3,807		
				(b) 55,376	5.9	3,267	52,109		
. . .	10	$63,634	$3,182	$60,452	x x	$4,536	$55,916	4.2	$2,348
				(a)$ 5,397	x x	$1,323	$ 4,074		
				(b) 59,643	6.6	3,936	55,707		
. . .	9	$68,463	$3,423	$65,040	x x	$5,259	$59,781	4.3	$2,571
				(a)$ 5,847	x x	$1,462	$ 4,385		
				(b) 60,034	7.4	4,443	55,591		
. . .	10	$69,348	$3,467	$65,881	x x	$5,905	$59,976	4.4	$2,639
				(a)$ 6,178	x x	$1,545	$ 4,633		
				(b) 58,787	7.9	4,644	54,143		
. . .	8	$68,384	$3,419	$64,965	x x	$6,189	$58,776	4.3	$2,527
				(a)$ 5,128	x x	$1,282	$ 3,846		
				(b) 48,398	7.7	3,727	44,671		
. . .	8	$56,343	$2,817	$53,526	x x	$5,009	$48,517	4.2	$2,038

(a) Specific services.

(b) Balance allocated:
To Long Lines on the basis of a composite ratio of Plant, Employees, Expenses and Total Telephone Revenues.
To Ohio Bell Telephone Company on the composite of the above factors plus Stations.

EXHIBIT A-157-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVIC

SUNDRY ITEMS (INCLUDING ADMINISTRATION)

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" Items (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)	
					Per Cent of Col.(4)*	Amount
1923:						
Administration	26	$ 665,055				
Vice President Wilson	4	98,331				
Restaurant Activities	-	21.970				
Total	30	$ 741,416	$125,421	$615,995	5.8	$35,728
1924:						
Administration	27	$ 536,068				
Vice President Wilson	4	182,729				
Restaurant Activities	-	42.713				
Total	31	$ 676,084	$ 50,904	$625,180	5.5	$34,385
1925:						
Administration	27	$ 636,151				
Vice President Wilson	4	148,318				
Restaurant Activities	-	38.112				
Total	31	$ 746,357	$ 40,263	$706,094	5.4	$38,129
1926:						
Administration	27	$ 605,663				
Vice President Wilson	3	69,328				
Vice President Guernsey	4	79,744				
Total	34	$ 754,735	$ 43,936	$710,799	5.5	$39,094
1927:						
Administration	32	$ 729,100				
Vice President Wilson	3	69,442				
Vice President Guernsey	3	78,382				
Total	38	$ 876,924	$ 50,259	$826,665	5.9	$48,773
1928:						
Administration	30	$ 649,425				
Vice President Wilson	3	64,214				
Vice President Guernsey	3	63,443				
Total	36	$ 777,082	$ 50,758	$726,324	6.6	$47,937
1929:						
Administration	26	$ 675,562				
Vice President Wilson	3	67,183				
Vice President Guernsey	3	61,182				
Total	32	$ 803,927	$ 40,196	$763,731	7.4	$56,516
[illegible]						
Administration	22	$ 943,172				
Vice President Wilson	2	72,394				
Total	24	$1,015,566	$289,121	$726,445	[illegible]	[illegible]

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" Items (3)	Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)	
					Per Cent of Col.(4)*	Amount
1923:						
Administration	26	$ 665,055				
Vice President Wilson	4	98,331				
Restaurant Activities	-	21.970				
Total	30	$ 741,416	$125,421	$615,995	5.8	$35,728
1924:						
Administration	27	$ 536,068				
Vice President Wilson	4	182,729				
Restaurant Activities	-	42.713				
Total	31	$ 676,084	$ 50,904	$625,180	5.5	$34,385
1925:						
Administration	27	$ 636,151				
Vice President Wilson	4	148,318				
Restaurant Activities	-	38.112				
Total	31	$ 746,357	40,263	$706,094	5.4	$38,129
1926:						
Administration	27	$ 605,663				
Vice President Wilson	3	69,328				
Vice President Guernsey	4	79,744				
Total	34	$ 754,735	$ 43,936	$710,799	5.5	$39,094
1927:						
Administration	32	$ 729,100				
Vice President Wilson	3	69,442				
Vice President Guernsey	3	78,382				
Total	38	$ 876,924	$ 50,259	$826,665	5.9	$48,773
1928:						
Administration	30	$ 649,425				
Vice President Wilson	3	64,214				
Vice President Guernsey	3	63,443				
Total	36	$ 777,082	$ 50,758	$726,324	6.6	$47,937
1929:						
Administration	26	$ 675,562				
Vice President Wilson	3	67,183				
Vice President Guernsey	3	61,182				
Total	32	$ 803,927	$ 40,196	$763,731	7.4	$56,516
1930:						
Administration	22	$ 943,172				
Vice President Wilson	2	72,394				
Total	24	$1,015,566	$289,121	$726,445	7.9	$57,389
1931:						
Administration	17	$ 681,451				
Vice President Wilson	2	70,320				
Total	19	$ 751,771	$ 85,089	$666,682	7.7	$51,335

* Allocated: To the Long Lines on the basis of a composite ratio of Plant, Emplo
Expenses and Total Telephone Revenues.
To Ohio Bell Telephone Company on the composite of the above factor

EXHIBIT A-157-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

SUNDRY ITEMS (INCLUDING ADMINISTRATION)

Total Expenses (2)	Deduction for "Non-License" Items (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
			Per Cent of Col.(4)*	Amount		Per Cent of Col.(6)*	Amount
665,055 98,331 21.970							
741,416	$125,421	$615,995	5.8	$35,728	$580,267	4.6	$26,692
536,068 182,729 42,713							
676,084	$ 50,904	$625,180	5.5	$34,385	$590,795	4.5	$26,586
636,151 148,318 38,112							
746,357	$ 40,263	$706,094	5.4	$38,129	$667,965	4.3	$28,722
605,663 69,328 79,744							
754,735	$ 43,936	$710,799	5.5	$39,094	$671,705	4.2	$28,212
729,100 69,442 78,382							
876,924	$ 50,259	$826,665	5.9	$48,773	$777,892	4.2	$32,671
649,425 64,214 63,443							
777,082	$ 50,758	$726,324	6.6	$47,937	$678,387	4.3	$29,171
675,562 67,183 61,182							
803,927	$ 40,196	$763,731	7.4	$56,516	$707,215	4.4	$31,117
943,172 72,394							

Total Expenses (2)	Deduction for "Non-License" Items (3)	Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Associated Companies (Including Bell of Canada) (6)	Ohio Bell Telephone Company (7)	
			Per Cent of Col.(4)*	Amount		Per Cent of Col.(6)*	Amount
$ 665,055 98,331 21.970							
$ 741,416	$125,421	$615,995	5.8	$35,728	$580,267	4.6	$26,692
$ 536,068 182,729 42.713							
$ 676,084	$ 50,904	$625,180	5.5	$34,385	$590,795	4.5	$26,586
$ 636,151 148,318 38.112							
$ 746,357	$ 40,263	$706,094	5.4	$38,129	$667,965	4.3	$28,722
$ 605,663 69,328 79,744							
$ 754,735	$ 43,936	$710,799	5.5	$39,094	$671,705	4.2	$28,212
$ 729,100 69,442 78,382							
$ 876,924	$ 50,259	$826,665	5.9	$48,773	$777,892	4.2	$32,671
$ 649,425 64,214 63,443							
$ 777,082	$ 50,758	$726,324	6.6	$47,937	$678,387	4.3	$29,171
$ 675,562 67,183 61,182							
$ 803,927	$ 40,196	$763,731	7.4	$56,516	$707,215	4.4	$31,117
$ 943,172 72,394							
$1,015,566	$289,121	$726,445	7.9	$57,389	$669,056	4.3	$28,769
$ 681,451 70,220							
$ 751,771	$ 85,089	$666,682	7.7	$51,338	$615,347	4.2	$25,845

* Allocated: To the Long Lines on the basis of a composite ratio of Plant, Employees, Expenses and Total Telephone Revenues.
To Ohio Bell Telephone Company on the composite of the above factors plus Stations.

EXHIBIT A-158-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SER

GENERAL SERVICE BUREAU

YEARS 1923 - 1931

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" Items 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balan Associat Compani (Includi Bell of C (6)
					Per Cent of Col.(4) *	Amount	
1923	113	$283,108	$14,155	$268,953	5.8	$15,599	$253,35
1924	126	331,265	16,563	314,702	5.5	17,309	297,39
1925	127	363,483	18,174	345,309	5.4	18,647	326,66
1926	152	427,692	21,385	406,307	5.5	22,347	383,96
1927	165	440,925	22,046	418,879	5.9	24,714	394,16
1928	167	466,002	23,300	442,702	6.6	29,218	413,48
1929	195	508,045	25,402	482,643	7.4	35,716	446,92
1930	210	555,152	27,758	527,394	7.9	41,664	485,73
1931	203	517,808	25,890	491,918	7.7	37,878	454,04

* Allocated:

To the Long Lines on the basis of composite ratio of Plant, Employees, Expenses and Total Telephone Revenues.
To the Ohio Bell Telephone Company on basis of composite ratio of above factors plus Stations.

EXHIBIT A-158-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

LOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

GENERAL SERVICE BUREAU

YEARS 1923 - 1931

l ses	Deduction for "Non-License" Items 5% of Col.(2) (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
			Per Cent of Col.(4) *	Amount		Per Cent of Col.(6)*	Amount
108	$14,155	$268,953	5.8	$15,599	$253,354	4.6	$11,654
265	16,563	314,702	5.5	17,309	297,393	4.5	13,383
483	18,174	345,309	5.4	18,647	326,662	4.3	14,046
692	21,385	406,307	5.5	22,347	383,960	4.2	16,126
925	22,046	418,879	5.9	24,714	394,165	4.2	16,555
002	23,300	442,702	6.6	29,218	413,484	4.3	17,780
045	25,402	482,643	7.4	35,716	446,927	4.4	19,665
152	27,758	527,394	7.9	41,664	485,730	4.3	20,886
808	25,890	491,918	7.7	37,878	454,040	4.2	19,070

* Allocated:

To the Long Lines on the basis of composite ratio of Plant, Employees, Expenses and Total Telephone Revenues.
To the Ohio Bell Telephone Company on basis of composite ratio of above factors plus Stations.

EXHIBIT A-159-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSE INCURRED IN RENDERING LICENSE CONTRACT SERVICES

DEPARTMENT OF OPERATION - C (GENERAL)

YEARS 1923 - 1931

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" Items (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (a) (4)	Allocated to Long Lines (5)	
					Per Cent of Col.(4) *	Amount
1923	37	$241,740	$28,189	$213,551	6.9	$14,735
1924	37	241,069	31,281	209,788	6.6	13,846
1925	40	243,589	32,024	211,565	6.6	13,963
1926	37	271,875	31,326	240,549	6.4	15,395
1927	38	265,671	32,642	233,029	6.7	15,613
1928	36	286,718	32,468	254,250	7.5	19,069
1929	36	317,727	48,934	268,793	8.2	22,041
1930	34	341,080	63,288	277,792	8.8	24,446
1931	35	327,647	54,016	273,631	9.0	(b) 39,433

(a) Amounts as per statement "Estimated Costs incurred in rendering License Contract Services"

(b) Includes special adjustment.

* Allocated to Long Lines and to Ohio Bell Telephone Company on the basis of a composite ratio of Plant and Total Telephone Revenues.

EXHIBIT A-159-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

O OHIO BELL TELEPHONE COMPANY OF EXPENSE INCURRED IN RENDERING LICENSE CONTRACT SERVICES

DEPARTMENT OF OPERATION - C (GENERAL)

YEARS 1923 - 1931

Total Expenses (2)	Deduction for "Non-License" Items (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (a) (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
			Per Cent of Col.(4) *	Amount		Per Cent of Col.(6) *	Amount
241,740	$28,189	$213,551	6.9	$14,735	$198,816	4.8	$ 9,543
241,069	31,281	209,788	6.6	13,846	195,942	4.6	9,013
243,589	32,024	211,565	6.6	13,963	197,602	4.4	8,694
271,875	31,326	240,549	6.4	15,395	225,154	4.3	9,682
265,671	32,642	233,029	6.7	15,613	217,416	4.3	9,349
286,718	32,468	254,250	7.5	19,069	235,181	4.3	10,113
317,727	48,934	268,793	8.2	22,041	246,752	4.4	10,857
341,080	63,288	277,792	8.8	24,446	253,346	4.4	11,147
327,647	54,016	273,631	9.0	(b)39,433	234,198	4.3	10,071

ounts as per statement "Estimated Costs incurred in rendering License Contract Services".

cludes special adjustment.

located to Long Lines and to Ohio Bell Telephone Company on the basis of a composite ratio of Plant and Total Telephone Revenues.

EXHIBIT A-160-B.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF EXPENSES INCURRED IN RENDERING LICENSE CONTRACT SERVICES

LEGAL DEPARTMENT

YEARS 1923 - 1931

	Regular Employees Dec. 31 (1)	Total Expenses (2)	Deduction for "Non-License" Items (3)	Balance Associated Companies (Including Bell of Canada) and Long Lines (4)	Allocated to Long Lines (5)		Balance Associated Companies (Including Bell of Canada) (6)	Allocated to Ohio Bell Telephone Company (7)	
					Per Cent of Col.(4)*	Amount		Per Cent of Col.(6)*	Amount
[illegible]	69	$759,191	$ 95,079	$664,112	7.7	$51,137	$612,975	4.4	$26,971
[illegible]	70	746,667	84,567	662,100	7.1	47,009	615,091	4.4	27,064
[illegible]	67	780,265	112,100	668,165	7.2	48,108	620,057	4.4	27,283
[illegible]	65	750,600	90,865	659,735	7.1	46,841	612,894	4.3	26,354
[illegible]	65	796,734	76,415	720,319	7.2	51,863	668,456	4.2	28,075
[illegible]	69	1,029,330	93,015	936,315	8.1	75,842	860,473	4.2	36,140
[illegible]	68	692,727	101,222	591,505	8.7	51,461	540,044	4.3	23,222
[illegible]	66	967,031	105,767	861,264	8.6	74,069	787,195	4.2	33,062
[illegible]	67	915,625	98,483	817,142	8.4	68,640	748,502	4.2	31,437

* Apportioned to Long Lines and to Ohio Bell Telephone Company on the Basis of Total Telephone Revenues.

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EXHIBIT A-161-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION OF TAXES TO OHIO BELL TELEPHONE COMPANY

YEARS 1923 - 1931

	Total (1)	Allocated to A.T. & T.Co. - "Non-License" (2)	Balance Allocable to Associated Companies (Including Bell of Canada) and Long Lines (3)	Allocated to Long Lines (4)		Al A C (Bell
				Per Cent of Col.(3)	Amount	
1923:						
Instrument	$ 160,504	$ 0	$ 160,504		$ 0	$
Massachusetts Franchise	39,509	0	39,509		0	
New York Excise	84,503)					
New York Franchise	308,024)	65,335	958,056	5.8#	55,567	
Federal Capital Stock	604,736)					
Stamp and Miscellaneous	26,128)					
Federal Income	1,774,164	0	1,774,164	5.8#	102,902	1,
Total	2,997,568	65,335	2,932,233			
Less amount excluded from statement of "Estimated Costs, etc."	14,911	14,911	0			
Balance	$2,982,657	$50,424	$2,932,233		$158,469	$2,
1924:						
Instrument	$ 185.559	$ 0	$ 185,559		$ 0	$
Massachusetts Franchise	538,041	0	538,041		0	
New York Excise	91,806)					
New York Franchise	315,298)	62,102	1,069,219	5.5#	58,807	1,
Federal Capital Stock	692,493)					
Stamp and Miscellaneous	31,724)					
Federal Income	1,688,607	0	1,688,607	5.5#	92,873	1,
Total	3,543,528	62,102	3,481,426			
Less amount excluded from statement of "Estimated Costs, etc."	5,827	5,827	0			
Balance	$3,537,701	$56,275	$3,481,426		$151,680	$3,
1925:						
Instrument	$ 208,833	$ 0	$ 208,833		$ 0	$
Massachusetts Franchise	549,929	0	549,929		0	
New York Excise	99,681)					
New York Franchise	387,953)	69,455	1,258,780	5.4#	67,974	1,
Federal Capital Stock	812,483)					

	Total (1)	Allocated to A.T. & T.Co. - "Non-License" (2)	Allocable to Associated Companies (Including Bell of Canada) and Long Lines (3)	Allocated to Long Lines (4)		Al A C (Bell
				Per Cent of Col.(3)	Amount	
1923:						
Instrument	$ 160,504	$ 0	$ 160,504		$ 0	$
Massachusetts Franchise	39,509	0	39,509		0	
New York Excise	84,503)					
New York Franchise	308,024)	65,335	958,056	5.8%	55,567	
Federal Capital Stock	604,736)					
Stamp and Miscellaneous	26,128)					
Federal Income	1,774,164	0	1,774,164	5.8%	102,902	1,
Total	2,997,568	65,335	2,932,233			
Less amount excluded from statement of "Estimated Costs, etc."	14,911	14,911	0			
Balance	$2,982,657	$50,424	$2,932,233		$158,469	$2,
1924:						
Instrument	$ 185,559	$ 0	$ 185,559		$ 0	$
Massachusetts Franchise	538,041	0	538,041		0	
New York Excise	91,806)					
New York Franchise	315,298)	62,102	1,069,219	5.5%	58,807	1,
Federal Capital Stock	692,493)					
Stamp and Miscellaneous	31,724)					
Federal Income	1,688,607	0	1,688,607	5.5%	92,873	1,
Total	3,543,528	62,102	3,481,426			
Less amount excluded from statement of "Estimated Costs, etc."	5,827	5,827	0			
Balance	$3,537,701	$56,275	$3,481,426		$151,680	$3
1925:						
Instrument	$ 208,833	$ 0	$ 208,833		$ 0	$
Massachusetts Franchise	549,929	0	549,929		0	
New York Excise	99,681)					
New York Franchise	387,953)	69,455	1,258,780	5.4%	67,974	1,
Federal Capital Stock	812,483)					
Stamp and Miscellaneous	28,118)					
Federal Income	1,871,865	0	1,871,865	5.4%	101,081	1
Total	3,958,862	69,455	3,889,407			
Less amount excluded from statement of "Estimated Costs, etc."	3,203	3,203	0			
Balance	$3,955,659	$66,252	$3,889,407		$169,055	$3

EXHIBIT A-161-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION OF TAXES TO OHIO BELL TELEPHONE COMPANY

YEARS 1923 - 1931

	Total (1)	Allocated to A.T. & T.Co. - "Non-License" (2)	Balance Allocable to Associated Companies (Including Bell of Canada) and Long Lines (3)	Allocated to Long Lines (4)		Allocated to Associated Companies (Including Bell of Canada) (5)	Allocated to Ohio Bell Telephone Company (6)	
				Per Cent of Col.(3)	Amount		Per Cent of Col.(5)	Amount
. .	$ 160,504	$ 0	$ 160,504		$ 0	$ 160,504	0	$ 0
. .	39,509	0	39,509		0	39,509	0	0
. .	84,503)							
. .	308,024)	65,335	958,056	5.8%	55,567	902,489	4.6%	41,514
. .	604,736)							
. .	26,128)							
. .	1,774,164	0	1,774,164	5.8%	102,902	1,671,262	4.6%	76,878
. .	2,997,568	65,335	2,932,233					
. .	14,911	14,911	0					
. .	$2,982,657	$50,424	$2,932,233		$158,469	$2,773,764		$118,392
. .	$ 185,559	$ 0	$ 185,559		$ 0	$ 185,559	0	$ 0
. .	538,041	0	538,041		0	538,041	0	0
. .	91,806)							
. .	315,298)	62,102	1,069,219	5.5%	58,807	1,010,412	4.5%	45,469
. .	692,493)							
. .	31,724)							
. .	1,688,607	0	1,688,607	5.5%	92,873	1,595,734	4.5%	71,808
. .	3,543,528	62,102	3,481,426					
. .	5,827	5,827	0					
. .	$3,537,701	$56,275	$3,481,426		$151,680	$3,329,746		$117,277
.	$ 208,883	$ 0	$ 208,883		$ 0	$ 208,883	0	0
.	549,929	0	549,929		0	549,929	0	0
.	99,681)							
.	387,953)	69,455	1,258,780	5.4%	67,974	1,190,806	4.3%	51,205
.	812,485)							
.	28,118)							

	Total (1)	Allocated to A.T. & T.Co. - "Non-License" (2)	Allocable to Associated Companies (Including Bell of Canada) and Long Lines (3)	Allocated to Long Lines (4)		Allocated to Associated Companies (Including Bell of Canada) (5)	Allocated to Ohio Bell Telephone Company (6)	
				Per Cent of Col.(3)	Amount		Per Cent of Col.(5)	Amount
.	$ 160,504	$ 0	$ 160,504		$ 0	$ 160,504	0	$ 0
.	39,509	0	39,509		0	39,509	0	0
.	84,503)							
.	308,024)	65,335	958,056	5.8%	55,567	902,489	4.6%	41,514
.	604,736)							
.	26,128)							
.	1,774,164	0	1,774,164	5.8%	102,902	1,671,262	4.6%	76,878
.	2,997,568	65,335	2,932,233					
.	14,911	14,911	0					
.	$2,982,657	$50,424	$2,932,233		$158,469	$2,773,764		$118,392
.	$ 185,559	$ 0	$ 185,559		$ 0	$ 185,559	0	$ 0
.	538,041	0	538,041		0	538,041	0	0
.	91,806)							
.	315,298)	62,102	1,069,219	5.5%	58,807	1,010,412	4.5%	45,469
.	692,493)							
.	31,734)							
.	1,688,607	0	1,688,607	5.5%	92,873	1,595,734	4.5%	71,808
.	3,543,528	62,102	3,481,426					
.	5,827	5,827	0					
.	$3,537,701	$56,275	$3,481,426		$151,680	$3,329,746		$117,277
.	$ 208,883	$ 0	$ 208,883		$ 0	$ 208,883	0	0
.	549,929	0	549,929		0	549,929	0	0
.	99,681)							
.	387,953)	69,455	1,258,780	5.4%	67,974	1,190,806	4.3%	51,205
.	812,483)							
.	28,118)							
.	1,871,865	0	1,871,865	5.4%	101,081	1,770,784	4.3%	76,144
.	3,958,862	69,455	3,889,407					
.	3,203	3,203	0					
.	$3,955,659	$66,252	$3,889,407		$169,055	$3,720,352		$127,349

EXHIBIT A-161-B (Sheet No. 2)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION OF TAXES TO OHIO BELL TELEPHONE COMPANY

YEARS 1923 - 1931

	Total (1)	Allocated to A.T. & T.Co. - "Non-License" (2)	Balance Allocable to Associated Companies (Including Bell of Canada) and Long Lines (3)	Allocated to Long Lines (4)	
				Per Cent of Col.(3)	Amount
1923:					
Instrument	$ 16,830	$ 0	$ 16,830		$ 0
Massachusetts Franchise	547,433	0	547,433		0
New York Excise	114,034)				
New York Franchise	387,254)	50,456	924,948	5.5%	50,872
Federal Capital Stock	447,690)				
Stamp and Miscellaneous	26,426)				
Federal Income	1,870,902	0	1,870,902	5.5%	102,900
Total	3,410,569	50,456	3,360,113		
Less amount excluded from statement of "Estimated Costs, etc."	1,774	1,774	0		
Balance	$3,408,795	$ 48,682	$3,360,113		$153,772
1924:					
Instrument	$ 17,342	$ 0	$ 17,342		$ 0
Massachusetts Franchise	560,330	0	560,330		0
New York Excise	141,788)				
New York Franchise	463,167)	36,606	674,468	5.9%	39,794
Federal Capital Stock	96,000)				
Stamp and Miscellaneous	10,119)				
Federal Income	2,193,547	141,115	2,052,432	5.9%	121,093
Total	3,482,293	177,721	3,304,572		
Less amount excluded from statement of "Estimated Costs, etc."	142,223	142,223	0		
Balance	$3,340,070	$ 35,498	$3,304,572		$160,887
1925:					
Massachusetts Franchise	$ 600,407	$ 0	$ 600,407		$ 0
New York Excise	130,552)				
New York Franchise	463,551)	29,551	555,033	6.6%	36,632
Federal Capital Stock	20,129)				

	Total (1)	Allocated to A.T. & T.Co. - "Non-License" (2)	Allocable to Associated Companies (Including Bell of Canada) and Long Lines (3)	Allocated to Long Lines (4)	
				Per Cent of Col.(3)	Amount
[illegible]					
Instrument	$ 16,830	$ 0	$ 16,830		$ 0
Massachusetts Franchise	547,433	0	547,433		0
New York Excise	114,034)				
New York Franchise	387,254)	50,456	924,948	5.5%	50,872
Federal Capital Stock	447,690)				
Stamp and Miscellaneous	26,426)				
Federal Income	1,870,902	0	1,870,902	5.5%	102,900
Total	3,410,569	50,456	3,360,113		
Less amount excluded from statement of "Estimated Costs, etc."	1,774	1,774	0		
Balance	$3,408,795	$ 48,682	$3,360,113		$153,772
1927:					
Instrument	$ 17,342	$ 0	$ 17,342		$ 0
Massachusetts Franchise	560,330	0	560,330		0
New York Excise	141,788)				
New York Franchise	463,167)	36,606	674,468	5.9%	39,794
Federal Capital Stock	96,000)				
Stamp and Miscellaneous	10,119)				
Federal Income	2,193,547	141,115	2,052,432	5.9%	121,093
Total	3,482,293	177,721	3,304,572		
Less amount excluded from statement of "Estimated Costs, etc."	142,223	142,223	0		
Balance	$3,340,070	$ 35,498	$3,304,572		$160,887
[illegible]					
Massachusetts Franchise	$ 600,407	$ 0	$ 600,407		$ 0
New York Excise	130,552)				
New York Franchise	463,551)	29,551	555,033	6.6%	36,632
Federal Capital Stock	20,129				
Stamp and Miscellaneous	10,610)				
Federal Income	487,220	0	487,220	6.6%	32,157
Total	1,672,211	29,551	1,642,660		
Less amount excluded from statement of "Estimated Costs, etc."	339	339	0		
Balance	$1,671,872	$ 29,212	$1,642,660		$ 68,789

EXHIBIT A-161-B (Sheet No. 2)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION OF TAXES TO OHIO BELL TELEPHONE COMPANY

YEARS 1923 - 1931

Total (1)	Allocated to A.T. & T.Co. - "Non-License" (2)	Balance Allocable to Associated Companies (Including Bell of Canada) and Long Lines (3)	Allocated to Long Lines (4)		Allocated to Associated Companies (Including Bell of Canada) (5)	Allocated to Ohio Bell Telephone Company (6)	
			Per Cent of Col.(3)	Amount		Per Cent of Col.(5)	Amount
$ 16,830	$ 0	$ 16,830		$ 0	$ 16,830	0	$ 0
547,433	0	547,433		0	547,433	0	0
114,034)							
387,254)	50,456	924,948	5.5#	50,872	874,076	4.2#	36,711
447,690)							
26,426)							
1,870,902	0	1,870,902	5.5#	102,900	1,768,002	4.2#	74,256
3,410,569	50,456	3,360,113					
1,774	1,774	0					
$3,408,795	$ 48,682	$3,360,113		$153,772	$3,206,341		$110,967
$ 17,342	$ 0	$ 17,342		$ 0	$ 17,342	0	$ 0
560,330	0	560,330		0	560,330	0	0
141,788)							
463,167)	36,606	674,468	5.9#	39,794	634,674	4.2#	26,656
96,000)							
10,119)							
2,193,547	141,115	2,052,432	5.9#	121,093	1,931,339	4.2#	81,116
3,482,293	177,721	3,304,572					
142,223	142,223	0					
$3,340,070	$ 35,498	$3,304,572		$160,887	$3,143,685		$107,773
$ 600,407	$ 0	$ 600,407		$ 0	$ 600,407	0	$ 0
130,552)							
463,551)	29,551	555,083	6.6#	36,632	518,401	4.3#	22,291
20,129)							
10,610)							
	0	487,220	6.6#	32,157	455,063	4.1#	18,568

Total (1)	Allocated to A.T. & T.Co. - "Non-License" (2)	Allocable to Associated Companies (Including Bell of Canada) and Long Lines (3)	Allocated to Long Lines (4)		Allocated to Associated Companies (Including Bell of Canada) (5)	Allocated to Ohio Bell Telephone Company (6)	
			Per Cent of Col.(3)	Amount		Per Cent of Col.(5)	Amount
$ 16,830	$ 0	$ 16,830		$ 0	$ 16,830	0	$ 0
547,433	0	547,433		0	547,433	0	0
114,084)							
387,254)	50,456	924,948	5.5%	50,872	874,076	4.2%	36,711
447,690)							
26,426)							
1,870,902	0	1,870,902	5.5%	102,900	1,768,002	4.2%	74,256
3,410,569	50,456	3,360,113					
1,774	1,774	0					
$3,408,795	$ 48,682	$3,360,113		$153,772	$3,206,341		$110,967
$ 17,342	$ 0	$ 17,342		$ 0	$ 17,342	0	$ 0
560,330	0	560,330		0	560,330	0	0
141,788)							
463,167)	36,606	674,468	5.9%	39,794	634,674	4.2%	26,656
96,000)							
10,119)							
2,193,547	141,115	2,052,432	5.9%	121,093	1,931,339	4.2%	81,118
3,482,293	177,721	3,304,572					
142,223	142,223	0					
$3,340,070	$ 35,498	$3,304,572		$160,887	$3,143,685		$107,773
$ 600,407	$ 0	$ 600,407		$ 0	$ 600,407	0	$ 0
130,552)							
463,551)	29,551	555,033	6.6%	36,632	518,401	4.3%	22,291
20,129)							
10,610)							
487,220	0	487,220	6.6%	32,157	455,063	4.3%	19,568
1,672,211	29,551	1,642,660					
339	339	0					
$1,671,872	$ 29,212	$1,642,660		$ 68,789	$1,573,871		$ 41,859

EXHIBIT A-161-B (Sheet No. 3)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION OF TAXES TO OHIO BELL TELEPHONE COMPANY

YEARS 1929 - 1931

	Total (1)	Allocated to A.T. & T.Co. - "Non-License" (2)	Balance Allocable to Associated Companies (Including Bell of Canada) and Long Lines (3)	Allocated to Long Lines (4)		Al A C (I Bell
				Per Cent of Col.(3)	Amount	
1929:						
Massachusetts Franchise	$ 556,143	$ 0	$ 556,143		$ 0	$
New York Excise	132,436)					
New York Franchise	473,252)	31,193	581,062	7.4#	42,999	
Stamp and Miscellaneous	6,567)					
Federal Income	149,685	0	149,685	7.4#	11,077	
Total	1,018,713	31,193	987,520			
Less amount excluded from statement of "Estimated Costs, etc."	611	611	0			
Balance	$1,018,102	$30,582	$ 987,520		$31,922	$
1930:						
Massachusetts Franchise	$ 566,257	$ 0	$ 566,257		$ 0	$
New York Excise	154,174)					
New York Franchise	496,402)	37,129	613,712	7.9#	48,483	
Stamp and Miscellaneous	265)					
Federal Income	223.372	0	223,372	7.9#	17,646	
Total	993,726	37,129	956,597			
Less amount excluded from statement of "Estimated Costs, etc."	4,828	4,828	0			
Balance	$ 988,898	$32,301	$ 956,597		$30,837	$
1931:						
Massachusetts Franchise	$ 582,807	$ 0	$ 582,807		$ 0	$
New York Excise	175,458)					
New York Franchise	653,485)	42,117	786,987	7.7#	60,598	
Stamp and Miscellaneous	161)					
Federal Income	126,146	0	126,146	7.7#	9,713	
Total	1,538,057	42,117	1,495,940			
Less amount excluded from statement of "Estimated Costs, etc."	697	697	0			
Balance	$1,537,360	$41,420	$1,495,940		$70,311	$1

New York Excise, New York Franchise, Federal Capital Stock, Stamp and Miscellaneous and Federal Income Taxes allocated:

	Total (1)	Allocated to A.T. & T.Co. - "Non-License" (2)	Allocable to Associated Companies (Including Bell of Canada) and Long Lines (3)	Allocated to Long Lines (4)		Allocable to Associated Companies (Including Bell of Canada)
				Per Cent of Col.(3)	Amount	
1970:						
Massachusetts Franchise	$ 556,143	$ 0	$ 556,143		$ 0	$ 556,143
New York Excise	132,436)					
New York Franchise	473,252)	31,193	581,062	7.4#	42,999	538,063
Stamp and Miscellaneous	6,567)					
Federal Income	149,685	0	149,685	7.4#	11,077	138,608
Total	1,018,713	31,193	987,520			
Less amount excluded from statement of "Estimated Costs, etc."	611	611	0			
Balance	$1,018,102	$30,582	$ 987,520		$31,922	$ 955,598
1969:						
Massachusetts Franchise	$ 566,257	$ 0	$ 566,257		$ 0	$ 566,257
New York Excise	154,174)					
New York Franchise	496,402)	37,129	613,712	7.9#	48,483	565,229
Stamp and Miscellaneous	265)					
Federal Income	223,372	0	223,372	7.9#	17,646	205,726
Total	993,726	37,129	956,597			
Less amount excluded from statement of "Estimated Costs, etc."	4,828	4,828	0			
Balance	$ 988,898	$32,301	$ 956,597		$50,837	$ 905,760
1968:						
Massachusetts Franchise	$ 582,807	$ 0	$ 582,807		$ 0	$ 582,807
New York Excise	175,458)					
New York Franchise	653,485)	42,117	786,987	7.7#	60,598	726,389
Stamp and Miscellaneous	161)					
Federal Income	126,146	0	126,146	7.7#	9,713	116,433
Total	1,538,057	42,117	1,495,940			
Less amount excluded from statement of "Estimated Costs, etc."	697	697	0			
Balance	$1,537,360	$41,420	$1,495,940		$70,311	$1,425,629

New York Excise, New York Franchise, Federal Capital Stock, Stamp and Miscellaneous and Federal Income Taxes allocated:

To the Long Lines on the basis of a composite ratio of Plant, Employees, Expenses and Total Telephone Revenues.

To the Ohio Bell Telephone Company on the composite of the above factors plus Stations.

EXHIBIT A-161-B (Sheet No. 3)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION OF TAXES TO OHIO BELL TELEPHONE COMPANY

YEARS 1923 - 1931

Total (1)	Allocated to A.T. & T.Co. - "Non-License" (2)	Balance Allocable to Associated Companies (Including Bell of Canada) and Long Lines (3)	Allocated to Long Lines (4)		Allocated to Associated Companies (Including Bell of Canada) (5)	Allocated to Ohio Bell Telephone Company (6)	
			Per Cent of Col.(3)	Amount		Per Cent of Col.(5)	Amount
$ 556,143	$ 0	$ 556,143		$ 0	$ 556,143	0	$ 0
132,436)							
473,252)	31,193	581,062	7.4#	42,999	538,063	4.4#	23,675
6,567)							
149,685	0	149,685	7.4#	11,077	138,608	4.4#	6,099
1,018,713	31,193	987,520					
611	611	0					
$1,018,102	$30,582	$ 987,520		$31,922	$ 955,598		$17,576
$ 566,257	$ 0	$ 566,257		$ 0	$ 566,257	0	$ 0
154,174)							
496,402)	37,129	613,712	7.9#	48,483	565,229	4.3#	24,305
265)							
223.372	0	223.372	7.9#	17,646	205,726	4.3#	8,846
993,726	37,129	956,597					
4,828	4,828	0					
$ 988,898	$32,301	$ 956,597		$30,837	$ 925,760		$15,459
$ 582,807	$ 0	$ 582,807		$ 0	$ 582,807	0	$ 0
175,458)							
653,485)	42,117	786,987	7.7#	60,598	726,389	4.2#	30,508
161)							
126,146	0	126,146	7.7#	9,713	116,433	4.2#	4,890
1,538,057	42,117	1,495,940					
697	697	0					
$1,537,360	$41,420	$1,495,940		$70,311	$1,425,629		$35,398

(New York Excise, New York Franchise, Federal Capital Stock, Stamp and Miscellaneous and

Total (1)	Allocated to A.T. & T.Co. - "Non-License" (2)	(Including Bell of Canada) and Long Lines (3)	Allocated to Long Lines (4)		Companies (Including Bell of Canada) (5)	Ohio Bell Telephone Company (6)	
			Per Cent of Col.(3)	Amount		Per Cent of Col.(5)	Amount
$ 556,143	$ 0	$ 556,143		$ 0	$ 556,143	0	$ 0
132,436)							
473,252)	31,193	581,062	7.4#	42,999	538,063	4.4#	23,675
6,567)							
149,685	0	149,685	7.4#	11,077	138,608	4.4#	6,099
1,018,713	31,193	987,520					
611	611	0					
$1,018,102	$30,582	$ 987,520		$31,922	$ 955,598		$17,576
$ 566,257	$ 0	$ 566,257		$ 0	$ 566,257	0	$ 0
154,174)							
496,402)	37,129	613,712	7.9#	48,483	565,229	4.3#	24,305
265)							
223.372	0	223.372	7.9#	17,646	205,726	4.3#	8,846
993,726	37,129	956,597					
4,828	4,828	0					
$ 988,898	$32,301	$ 956,597		$30,837	$ 925,760		$15,459
$ 582,807	$ 0	$ 582,807		$ 0	$ 582,807	0	$ 0
175,458)							
653,485)	42,117	786,987	7.7#	60,598	726,389	4.2#	30,508
161)							
126,146	0	126,146	7.7#	9,713	116,433	4.2#	4,890
1,538,057	42,117	1,495,940					
697	697	0					
$1,537,360	$41,420	$1,495,940		$70,311	$1,425,629		$35,398

New York Excise, New York Franchise, Federal Capital Stock, Stamp and Miscellaneous and Federal Income Taxes allocated:

To the Long Lines on the basis of a composite ratio of Plant, Employees, Expenses and Total Telephone Revenues.

To the Ohio Bell Telephone Company on the composite of the above factors plus Stations.

EXHIBIT A-162-B (Sheet No. 1)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF INSTRUMENT MAINTENANCE (REPAIRS AND DEPRECIATION) EXPENSE

YEARS 1923 - 1927

	Total for Associated Companies and Long Lines (1)	Allocated to Long Lines (2)		Associated Companies (3)	Allocated to Ohio Bell Telephone Company (4)	
		% of Col. 1*	Amount		% of Col. 3*	Amount
1923	$3,219,594	.06	$1,932	$3,217,662	3.7	$119,053
1924	3,719,628	.06	2,232	3,717,394	3.7	137,544
1925	4,261,771	.05	2,131	4,259,640	3.8	161,866
1926	4,953,961	.05	2,477	4,951,484	4.0	198,059
1927	5,217,807	.06	3,131	5,214,676	4.2	219,016
Depreciation Included Above (7%)						
1923	2,133,172	.06	1,280	2,131,892	3.7	78,880
1924	2,390,753	.06	1,434	2,389,319	3.7	88,405
1925	2,648,034	.05	1,324	2,646,710	3.8	100,575
1926	2,920,151	.05	1,460	2,918,691	4.0	116,748
1927	3,150,992	.06	1,891	3,149,101	4.2	132,262

* Allocated to Long Lines and Ohio Bell Telephone Company on the basis of Instruments charged June 30.

13876

Note: Instruments sold December 31, 1927.

EXHIBIT A-162-B (Sheet No. 2)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

NUMBER OF TELEPHONE INSTRUMENTS (RECEIVERS AND TRANSMITTERS) CHARGED ASSOCIATED COMPANIES, LONG LINES AND OHIO BELL TELEPHONE COMPANY

YEARS 1923 - 1927

	Associated Companies and Long Lines (1)	Long Lines (2)		Associated Companies (3)	Ohio Bell Telephone Company (4)	
		Number	% of Col. 1		Number (Actual)	% of Col. 3
As of June 30th:						
1923	21,838,882	13,449	.06	21,825,433	812,818	3.7
1924	23,985,777	14,261	.06	23,971,516	886,068	3.7
1925	25,819,394	13,526	.05	25,805,868	986,715	3.8
1926	27,931,406	14,660	.05	27,916,746	1,115,873	4.0
1927	29,713,385	17,298	.06	29,696,087	1,260,480	4.2

Sources of Information

Associated Operating Companies)
Long Lines) General Books
Ohio Bell Telephone Company)

13877

8819

EXHIBIT A-163-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

INSTRUMENT CREDIT - OHIO BELL TELEPHONE COMPANY

	1923	1924	1925	1926	1927
1. Average Current Cost	$1,344,460	$1,531,831	$1,726,441	$1,883,523	$1,962,743
2. Actual Depreciation (8% of Item 1)	107,557	122,546	138,115	150,682	157,019
3. Current Cost less 8% Depreciation (Item 1 less Item 2)	1,236,903	1,409,285	1,588,326	1,732,841	1,805,724
4. Depreciation Expense - 7% of Current Cost (Item 1)	94,112	107,228	120,851	131,847	137,392
5. Return on Current Cost less 8% Depreciation (8% of Item 3)	98,952	112,743	127,066	138,627	144,458
6. Total, Items 4 and 5	193,064	219,971	247,917	270,474	281,850
7. Margin for Additional Instruments (6% of Item 6)	11,584	13,198	14,875	16,228	16,911
8. Instrument Repairs	40,173	49,139	61,291	81,311	86,754
9. Total, Items 6, 7 and 8	$ 244,821	$ 282,308	$ 324,083	$ 368,013	$ 385,515

13879]

EXHIBIT A-164

American Telephone and Telegraph Company

Year 1923

Average Cost of Funds Used in Business

	Average amount for year	Dividends, interest and amortization charges	Average rate paid, per cent
ital Stock	$719,964,600.00	$63,274,388.10	8.79
ital Stock Premiums	52,290,661.47	0	
Total	772,255,261.47	63,274,388.10	8.19
plus Unappropriated and Appropriated	110,176,041.50	0	
Total	882,431,302.97	63,274,388.10	7.17
ital Stock Installments	19,431,657.60	1,444,818.88	7.44
nded Debt	220,755,867.61	12,565,490.66	5.69
ns from Associated Companies	13,121,234.70	752,339.56	5.73
Total	$1,135,740,062.88	$78,037,037.20	6.87

American Telephone and Telegraph Company

Year 1924

Average Cost of Funds Used in Business

	Average amount for year	Dividends, interest and amortization charges	Average rate paid, per cent
ital Stock	$805,145,900.00	$70,918,227.27	8.81
ital Stock Premiums	53,324,737.39	0	
Total	858,470,637.39	70,918,227.27	8.26
plus Unappropriated and ppropriated	122,127,554.82	0	
Total	980,598,192.21	70,918,227.27	7.23
ital Stock Installments	20,945,567.32	1,214,805.33	5.80
ded Debt	261,296,556.84	14,648,567.22	5.61
ns from Associated Companies	29,350,239.54	1,669,891.42	5.69
Total	$1,292,190,555.91	$88,451,491.24	6.85

American Telephone and Telegraph Company

Year 1925

Average Cost of Funds Used in Business

	Average amount for year	Dividends, interest and amortization charges	Average rate paid, per cent
tal Stock	$911,181,400.00	$81,044,425.93	8.89
al Stock Premiums	54,387,652.56	0	
Total	965,569,052.56	81,044,425.93	8.39

[fol. 13880] Exhibit A-164—Continued

	Average amount for year	Dividends, interest and amortization charges	Average rate paid, per cent
Surplus Unappropriated and Appropriated	133,007,894.94	0	
Total	1,098,576,947.50	81,044,425.93	7.38
Capital Stock Installments	26,063,889.06	1,796,636.88	6.89
Funded Debt	357,960,608.61	20,086,703.31	5.61
Loans from Associated Companies	15,632,045.95	872,038.96	5.58
Total	$1,498,233,491.12	$103,799,805.08	6.93

American Telephone and Telegraph Company

Year 1926

Average Cost of Funds Used in Business

	Average amount for year	Dividends, interest and amortization charges	Average rate paid, per cent
Capital Stock	$979,026,200.00	$86,496,345.50	8.83
Capital Stock Premiums	55,541,177.20	0	
Total	1,034,567,377.20	86,496,345.50	8.36
Surplus Unappropriated and Appropriated	163,123,359.98	0	
Total	1,197,690,737.18	86,496,345.50	7.22
Capital Stock Installments	38,227,418.65	2,510,665.75	6.57
Funded Debt	360,153,241.89	20,167,929.09	5.60
Loans from Associated Companies	7,057,854.30	380,849.28	5.40
Total	$1,603,129,252.02	$109,555,689.62	6.83

American Telephone and Telegraph Company

Year 1927

Average Cost of Funds Used in Business

	Average amount for year	Dividends, interest and amortization charges	Aver rat pai per
Capital Stock	$1,093,242,000.00	$97,379,934.00	8.9
Capital Stock Premiums	58,818,404.81	0	
Total	1,152,060,404.81	97,379,934.00	8.4
Surplus Unappropriated and Appropriated	199,229,820.85	0	
Total	1,351,290,225.66	97,379,934.00	7.2
Capital Stock Installments	36,193,644.77	2,503,986.53	6.9
Funded Debt	358,438,455.78	19,970,018.58	5.5
Loans from Associated Companies	5,324,906.63	313,104.51	5.8
Notes Payable to Pension Fund Trustees	3,468.18	190.75	5.5
Total	$1,751,250,701.02	$120,167,234.37	6.8

[fol. 13881] Exhibit A-164—Continued

American Telephone and Telegraph Company

Year 1928

Average Cost of Funds Used in Business

	Average Amount for Year	Dividends, Interest and Amortization Charges	Average Rate Paid, Per Cent
Capital Stock	$1,182,374,500.00	$103,821,439.95	8.78
Capital Stock Premiums	64,125,716.80	0	
Total	1,246,500,216.80	103,821,439.95	8.33
Surplus Unappropriated and Appropriated	287,300,618.04	0	
Total	1,533,800,834.84	103,821,439.95	6.77
Capital Stock Installments	44,209,630.21	2,989,456.47	6.76
Funded Debt	356,824,082.11	19,861,971.20	5.57
Loans from Associated Companies	1,541,483.67	90,639.24	5.88
Notes Payable to Pension Fund Trustees	2,637,250.91	145,048.80	5.50
Total	$1,939,013,281.74	$126,908,555.66	6.55

American Telephone and Telegraph Company

Year 1929

Average Cost of Funds Used in Business

	Average Amount for Year	Dividends, Interest and Amortization Charges	Average Rate Paid, Per Cent
Capital Stock	$1,311,374,600.00	$116,378,771.00	8.87
Capital Stock Premiums	67,883,544.55	0	
Total	1,379,258,144.55	116,378,771.00	8.44
Surplus Unappropriated and Appropriated	330,342,670.78	0	
Total	1,709,600,815.33	116,378,771.00	6.81
Capital Stock Installments	61,546,239.25	4,294,909.67	6.98
Funded Debt	428,159,082.87	23,060,237.22	5.39
Loans from Associated Companies	2,271,897.20	132,732.00	5.84
Loans from Bankers	508,333.27	27,958.33	5.50
Notes Payable to Pension Fund Trustees	8,752,188.30	481,370.36	5.50
Total	$2,210,838,556.22	$144,375,978.58	6.53

American Telephone and Telegraph Company

Year 1930

Average Cost of Funds Used in Business

	Average Amount for Year	Dividends, Interest and Amortization Charges	Average Rate Paid, Per Cent
Capital Stock	$1,585,669,600.00	$139,238,073.39	8.78
Capital Stock Premiums	207,419,729.56	0	
Total	1,793,089,329.56	139,238,073.39	7.77

[fol. 13882] Exhibit A-164—Continued

	Average Amount for Year	Dividends, Interest and Amortization Charges	Average Rate Paid, Per Cent
Surplus Unappropriated and Appropriated	$365,311,399.47	0	
Total	2,159,400,729.03	139,238,073.39	6.45
Capital Stock Installments	83,494,025.66	5,695,443.27	6.82
Funded Debt	481,799,323.05	25,472,548.21	5.29
Loans from Associated Companies	9,808,864.11	576,761.21	5.88
Loans from Bankers	1,828,472.20	93,611.11	5.12
Notes Payable to Pension Fund Trustees	10,293,382.73	566,136.05	5.50
Total	$2,746,624,796.78	$171,642,573.24	6.25

American Telephone and Telegraph Company

Year 1931

Average Cost of Funds Used in Business

	Average Amount for Year	Dividends, Interest and Amortization Charges	Average Rate Paid, Per Cent
Capital Stock	$1,841,946,100.00	$163,588,474.25	8.88
Capital Stock Premiums	264,305,434.03	0	
Total	2,106,251,534.03	163,588,474.25	7.77
Surplus Unappropriated and Appropriated	381,265,755.21	0	
Total	2,487,517,289.24	163,588,474.25	6.58
Capital Stock Installments	96,546,858.33	6,164,026.40	6.38
Funded Debt	435,139,236.30	24,354,243.29	5.60
Loans from Associated Companies	13,028,434.86	766,071.97	5.88
Notes Payable to Pension Fund Trustees	11,949,076.18	657,199.19	5.50
Total	$3,044,180,894.91	$195,530,015.10	6.42

EXHIBIT A-165

American Telephone and Telegraph Company
Average Cost of Funds

Year	Average Rate Paid Per Cent: Including Surplus (Used in Estimate of Costs)	Average Rate Paid Per Cent: Excluding Surplus (Not Used in Estimate of Costs)
1923	6.87	7.61
1924	6.85	7.56
1925	6.93	7.60
1926	6.83	7.61
1927	6.86	7.74
1928	6.55	7.08
1929	6.53	7.08
1930	6.25	7.12
1931	6.42	7.39

EXHIBIT A-166-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF COST OF CARRYING INVESTMENT IN TELEPHONE INSTRUMENTS USED IN RENDERING LICENSE CONTRACT SERVICES

YEARS 1923 - 1927

	Total Cost (1)	Allocated to Long Lines (2)		Balance Associated Companies (3)	Allocated to Ohio Bell Telephone Company (4)	
		% of Col.(1)*	Amount		% of Col.(3)*	Amount
1923 - Total Investment $31,329,013						
Depreciation Reserve 15,010,382						
Net 16,318,631						
Carrying Charges (6.87%)	$1,121,090	.06	$ 673	$1,120,417	3.7	$ 41,455
1924 - Total Investment $35,531,884						
Depreciation Reserve 16,611,453						
Net 18,920,451						
Carrying Charges (6.85%)	1,296,050	.06	778	1,295,272	3.7	47,925
1925 - Total Investment $39,373,616						
Depreciation Reserve 18,387,618						
Net 20,985,998						
Carrying Charges (6.93%)	1,454,330	.05	727	1,453,603	3.8	55,237
1926 - Total Investment $43,403,336						
Depreciation Reserve 20,304,999						
Net 23,098,337						
Carrying Charges (6.83%)	1,577,616	.05	789	1,576,827	4.0	63,073
1927 - Total Investment $42,848,662						
Depreciation Reserve 20,441,625						
Net 22,407,037						
Carrying Charges (6.86%)	1,537,123	.06	922	1,536,201	4.2	64,520
Total	$6,986,209	x x	$3,889	$6,982,320	x x	$272,210

* Allocated to the Long Lines and the Ohio Bell Telephone Company on the basis of instruments charged June 30.

EXHIBIT A-167-B (Sheet No. 1)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF COST (NET) OF CARRYING INVESTMENT IN REAL ESTATE, OFFICE FURNITURE, ETC., USED IN RENDERING LICENSE CONTRACT SERVICES

YEARS 1923 - 1931

		Total Cost (1)	"Non-License" (2)	Balance Associated Companies and Long Lines (3)	Allocated to Long Lines (4)	
					Per Cent of Col.(3)*	Amount
1923:						
Total Investment	$12,846,612					
Depreciation Reserve	340,806					
Net	12,505,806					
Carrying Charges (6.87%)	859,149					
Rent	638,374					
Net Carrying Charges		$220,775	$24,478			
Less amount excluded from statement of "Estimated Costs, etc."		14,147	14,147			
Balance		206,628	10,331	$196,297	5.8	$11,385
1924:						
Total Investment	$13,139,457					
Depreciation Reserve	552,502					
Net	12,586,955					
Carrying Charges (6.85%)	862,206					
Rent	751,174					
Net Carrying Charges		111,032	20,125			
Less amount excluded from statement of "Estimated Costs, etc."		15,340	15,340			
Balance		95,692	4,785	90,907	5.5	5,000
1925:						
Total Investment	$12,316,977					
Depreciation Reserve	717,193					
Net	11,599,784					
Carrying Charges (6.93%)	803,865					
Rent	625,548					
Net Carrying Charges		178,317	23,131			
Less amount excluded from statement of "Estimated Costs, etc."		14,963	14,963			
Balance		163,354	8,168	155,186	5.4	8,380
1926:						
Total Investment	$ 1,025,078					
Depreciation Reserve	413,538					
Net	611,540					
Carrying Charges (6.83%)	41,768					
Net Carrying Charges		41,768	4,942			
Less amount excluded from statement						

		Total Cost (1)	"Non-License" (2)	Balance Associated Companies and Long Lines (3)	Allocated to Long Lines (4)	
					Per Cent of Col.(3)*	Amount
1923:						
Total Investment	$12,846,612					
Depreciation Reserve	340,806					
Net	12,505,806					
Carrying Charges (6.87%)	859,149					
Rent	638,374					
Net Carrying Charges		$220,775	$24,478			
Less amount excluded from statement of "Estimated Costs, etc."		14,147	14,147			
Balance		206,628	10,331	$196,297	5.8	$11,385
1924:						
Total Investment	$13,139,457					
Depreciation Reserve	552,502					
Net	12,586,955					
Carrying Charges (6.85%)	862,206					
Rent	751,174					
Net Carrying Charges		111,032	20,125			
Less amount excluded from statement of "Estimated Costs, etc."		15,340	15,340			
Balance		95,692	4,785	90,907	5.5	5,000
1925:						
Total Investment	$12,316,977					
Depreciation Reserve	717,193					
Net	11,599,784					
Carrying Charges (6.93%)	803,865					
Rent	625,548					
Net Carrying Charges		178,317	23,131			
Less amount excluded from statement of "Estimated Costs, etc."		14,963	14,963			
Balance		163,354	8,168	155,186	5.4	8,380
1926:						
Total Investment	$ 1,025,078					
Depreciation Reserve	413,538					
Net	611,540					
Carrying Charges (6.83%)	41,768					
Net Carrying Charges		41,768	4,942			
Less amount excluded from statement of "Estimated Costs, etc."		3,004	3,004			
Balance		38,764	1,938	36,826	5.5	2,025
1927:						
Total Investment	$ 1,114,605					
Depreciation Reserve	459,094					
Net	655,511					
Carrying Charges (6.86%)	44,968					
Net Carrying Charges		44,968	2,630			
Less amount excluded from statement of "Estimated Costs, etc."		402	402			
Balance		44,566	2,228	42,338	5.9	2,498

EXHIBIT A-167-B (Sheet No. 1)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

CATION TO OHIO BELL TELEPHONE COMPANY OF COST (NET) OF CARRYING INVESTMENT IN REAL ESTATE, OFFICE FURNITURE, ETC., USED IN RENDERING LICENSE CONTRACT SERVICES

YEARS 1923 - 1931

Total Cost (1)	"Non-License" (2)	Balance Associated Companies and Long Lines (3)	Allocated to Long Lines (4)		Balance Associated Companies (5)	Allocated to Ohio Bell Telephone Company (6)	
			Per Cent of Col.(3)*	Amount		Per Cent of Col.(5)*	Amount
$220,775	$24,478						
14,147	14,147						
206,628	10,331	$196,297	5.8	$11,385	$184,912	4.6	$8,506
111,032	20,125						
15,340	15,340						
95,692	4,785	90,907	5.5	5,000	85,907	4.5	3,866
178,317	23,131						
14,963	14,963						
163,354	8,168	155,186	5.4	8,380	146,806	4.3	6,313
41,768	4,942						
3,004	3,004						
38,764	1,938	36,826	5.5	2,025	34,801	4.2	1,462

Total Cost (1)	"Non-License" (2)	Balance Associated Companies and Long Lines (3)	Allocated to Long Lines (4)		Balance Associated Companies (5)	Telephone Company (6)	
			Per Cent of Col.(3)*	Amount		Per Cent of Col.(5)*	Amount
$220,775	$24,478						
14,147	14,147						
206,628	10,331	$196,297	5.8	$11,385	$184,912	4.6	$8,506
111,032	20,125						
15,340	15,340						
95,692	4,785	90,907	5.5	5,000	85,907	4.5	3,866
178,317	23,131						
14,963	14,963						
163,354	8,168	155,186	5.4	8,380	146,806	4.3	6,313
41,768	4,942						
3,004	3,004						
38,764	1,938	36,826	5.5	2,025	34,801	4.2	1,462
44,968	2,630						
402	402						
44,566	2,228	42,338	5.9	2,498	39,840	4.2	1,673

EXHIBIT A-167-B (Sheet No. 2)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF COST (NET) OF CARRYING INVESTMENT IN REAL ESTATE, OFFICE FURNITURE, ETC., USED IN RENDERING LICENSE CONTRACT SERVICES

YEARS 1923 - 1931

		Total Cost (1)	"Non-License" (2)	Balance Associated Companies and Long Lines (3)	Allocated to Long Lines (4)	
					Per Cent of Col.(3)*	Amount
1928:						
Total Investment	$ 1,252,659					
Depreciation Reserve	517,083					
Net	735,576					
Carrying Charges (6.55%)	48,180					
Net Carrying Charges		$ 48,180	$ 2,796			
Less amount excluded from statement of "Estimated Costs, etc."		407	407			
Balance		47,773	2,389	$ 45,384	6.6	$ 2,995
1929:						
Total Investment	$ 1,353,336					
Depreciation Reserve	568,257					
Net	785,079					
Carrying Charges (6.53%)	51,266					
Net Carrying Charges		51,266	3,450			
Less amount excluded from statement of "Estimated Costs, etc."		933	933			
Balance		50,333	2,517	47,816	7.4	3,538
1930:						
Total Investment	$ 1,482,219					
Depreciation Reserve	594,306					
Net	887,913					
Carrying Charges (6.25%)	55,494					
Net Carrying Charges		55,494	4,249			
Less amount excluded from statement of "Estimated Costs, etc."		1,552	1,552			
Balance		53,942	2,697	51,245	7.9	4,048
1931:						
Total Investment	$ 1,592,136					
Depreciation Reserve	662,570					
Net	929,566					
Carrying Charges (6.42%)	59,678					
Net Carrying Charges		59,678	4,068			
Less amount excluded from statement of "Estimated Costs, etc."		1,141	1,141			
Balance		$ 58,537	$ 2,927	$ 55,610	7.7	$ 4,282

* Allocated:

	Total Cost (1)	"Non-License" (2)	Associated Companies and Long Lines (3)	Allocated to Long Lines (4)	
				Per Cent of Col.(3)*	Amount
1928:					
Total Investment . . . . . $ 1,252,659					
Depreciation Reserve 517,083					
Net 735,576					
Carrying Charges (6.55%) 48,180					
Net Carrying Charges	$ 48,180	$ 2,796			
Less amount excluded from statement of "Estimated Costs, etc."	407	407			
Balance	47,773	2,389	$ 45,384	6.6	$ 2,995
1929:					
Total Investment . . . . . $ 1,353,336					
Depreciation Reserve 568,257					
Net 785,079					
Carrying Charges (6.53%) 51,266					
Net Carrying Charges	51,266	3,450			
Less amount excluded from statement of "Estimated Costs, etc."	933	933			
Balance	50,333	2,517	47,816	7.4	3,538
1930:					
Total Investment . . . . . $ 1,482,219					
Depreciation Reserve 594,306					
Net 887,913					
Carrying Charges (6.25%) 55,494					
Net Carrying Charges	55,494	4,249			
Less amount excluded from statement of "Estimated Costs, etc."	1,552	1,552			
Balance	53,942	2,697	51,245	7.9	4,048
1931:					
Total Investment . . . . . $ 1,592,136					
Depreciation Reserve 662,570					
Net 929,566					
Carrying Charges (6.42%) 59,678					
Net Carrying Charges	59,678	4,068			
Less amount excluded from statement of "Estimated Costs, etc."	1,141	1,141			
Balance	$ 58,537	$ 2,927	$ 55,610	7.7	$ 4,282

* Allocated:

To the Long Lines on the basis of the composite ratio of Plant, Employees, Expenses and Total Telephone Revenues.

To the Ohio Bell Telephone Company on the basis of the composite ratio of above factors plus Stations.

EXHIBIT A-167-B (Sheet No. 2)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

CATION TO OHIO BELL TELEPHONE COMPANY OF COST (NET) OF CARRYING INVESTMENT IN REAL ESTATE, OFFICE FURNITURE, ETC., USED IN RENDERING LICENSE CONTRACT SERVICES

YEARS 1923 - 1931

Total Cost (1)	"Non-License" (2)	Balance Associated Companies and Long Lines (3)	Allocated to Long Lines (4)		Balance Associated Companies (5)	Allocated to Ohio Bell Telephone Company (6)	
			Per Cent of Col.(3)*	Amount		Per Cent of Col.(5)*	Amount
$ 48,180	$ 2,796						
407	407						
47,773	2,389	$ 45,384	6.6	$ 2,995	$ 42,389	4.3	$1,823
51,266	3,450						
933	933						
50,333	2,517	47,816	7.4	3,538	44,278	4.4	1,948
55,494	4,249						
1,552	1,552						
53,942	2,697	51,245	7.9	4,048	47,197	4.3	2,029
59,678	4,068						
1,141	1,141						
$ 58,537	$ 2,927	$ 55,610	7.7	$ 4,282	$ 51,328	4.2	$2,156

	Total Cost (1)	"Non-License" (2)	Companies and Long Lines (3)	(4) Per Cent of Col.(3)*	(4) Amount	Associated Companies (5)	(6) Per Cent of Col.(5)*	(6) Amount
559								
083								
576								
180								
.	$ 48,180	$ 2,796						
.	407	407						
.	47,773	2,389	$ 45,384	6.6	$ 2,995	$ 42,389	4.3	$1,823
836								
257								
079								
266								
.	51,266	3,450						
.	933	933						
.	50,333	2,517	47,816	7.4	3,538	44,278	4.4	1,948
219								
506								
913								
494								
.	55,494	4,249						
.	1,552	1,552						
.	53,942	2,697	51,245	7.9	4,048	47,197	4.3	2,029
136								
670								
566								
578								
.	59,678	4,068						
.	1,141	1,141						
.	$ 58,537	$ 2,927	$ 55,610	7.7	$ 4,282	$ 51,328	4.2	$2,156

* Allocated:

To the Long Lines on the basis of the composite ratio of Plant, Employees, Expenses and Total Telephone Revenues.

To the Ohio Bell Telephone Company on the basis of the composite ratio of above factors plus Stations.

EXHIBIT A-168-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF COST (NET) OF CARRYING INVESTMENT IN

PHYSICAL PROPERTY USED IN RENDERING LICENSE CONTRACT SERVICES

YEARS 1923 - 1931

	Total Cost (1)	Deductions for "Non-License" Items (2)	Balance Associated Companies and Long Lines (3)	Allocated to Long Lines (4)		Balance Associated Companies (5)	Allocated Ohio Bell Telephone Co (6)	
				% of Col. (3)	Amount		% of Col.(5)	
Telephones*								
1923	$1,121,090	$ 0	$1,121,090	.06	$ 673	$1,120,417	3.7	$
1924	1,296,050	0	1,296,050	.06	778	1,295,272	3.7	
1925	1,454,330	0	1,454,330	.05	727	1,453,603	3.8	
1926	1,577,616	0	1,577,616	.05	789	1,576,827	4.0	
1927	1,537,123	0	1,537,123	.06	922	1,536,201	4.2	
Total	$6,986,209	$ 0	$6,986,209	x x	$ 3,889	$6,982,320	x x	$
Real Estate, Office Furniture, etc. /								
1923	$ 206,628	$10,331	$ 196,297	5.8	$11,385	$ 184,912	4.6	$
1924	95,692	4,785	90,907	5.5	5,000	85,907	4.5	
1925	163,354	8,168	155,186	5.4	8,380	146,806	4.3	
1926	38,764	1,938	36,826	5.5	2,025	34,801	4.2	
1927	44,566	2,228	42,338	5.9	2,498	39,840	4.2	
1928	47,773	2,389	45,384	6.6	2,995	42,389	4.3	
1929	50,333	2,517	47,816	7.4	3,538	44,278	4.4	
1930	53,942	2,697	51,245	7.9	4,048	47,197	4.3	
1931	58,537	2,927	55,610	7.7	4,282	51,328	4.2	
Total	$ 759,589	$37,980	$ 721,609	x x	$44,151	$ 677,458	x x	$
Total Physical Property								
1923	$1,327,718	$10,331	$1,317,387	x x	$12,058	$1,305,329	x x	$
1924	1,391,742	4,785	1,386,957	x x	5,778	1,381,179	x x	
1925	1,617,684	8,168	1,609,516	x x	9,107	1,600,409	x x	
1926	1,616,380	1,938	1,614,442	x x	2,814	1,611,628	x x	
1927	1,581,689	2,228	1,579,461	x x	3,420	1,576,041	x x	
1928	47,773	2,389	45,384	x x	2,995	42,389	x x	
1929	50,333	2,517	47,816	x x	3,538	44,278	x x	
1930	53,942	2,697	51,245	x x	4,048	47,197	x x	
1931	58,537	2,927	55,610	x x	4,282	51,328	x x	
Total	$7,745,798	$37,980	$7,707,818	x x	$48,040	$7,659,778	x x	

	Total Cost (1)	Deductions for "Non-License" Items (2)	Balance Associated Companies and Long Lines (3)	Allocated to Long Lines (4)		Balance Associated Companies (5)	Allo Ch Teleph
				% of Col. (3)	Amount		% of Col.(5)
Telephones*							
1923	$1,121,090	$ 0	$1,121,090	.06	$ 673	$1,120,417	3.7
1924	1,296,050	0	1,296,050	.06	778	1,295,272	3.7
1925	1,454,330	0	1,454,330	.05	727	1,453,603	3.8
1926	1,577,616	0	1,577,616	.05	789	1,576,827	4.0
1927	1,537,123	0	1,537,123	.06	922	1,536,201	4.2
Total	$6,986,209	$ 0	$6,986,209	x x	$ 3,889	$6,982,320	x x
Real Estate, Office Furniture, etc. /							
1923	$ 206,628	$10,331	$ 196,297	5.8	$11,385	$ 184,912	4.6
1924	95,692	4,785	90,907	5.5	5,000	85,907	4.5
1925	163,354	8,168	155,186	5.4	8,380	146,806	4.3
1926	38,764	1,938	36,826	5.5	2,025	34,801	4.2
1927	44,566	2,228	42,338	5.9	2,498	39,840	4.2
1928	47,773	2,389	45,384	6.6	2,995	42,389	4.3
1929	50,333	2,517	47,816	7.4	3,538	44,278	4.4
1930	53,942	2,697	51,245	7.9	4,048	47,197	4.3
1931	58,537	2,927	55,610	7.7	4,282	51,328	4.2
Total	$ 759,589	$37,980	$ 721,609	x x	$44,151	$ 677,458	x x
Total Physical Property							
1923	$1,327,718	$10,331	$1,317,387	x x	$12,058	$1,305,329	x x
1924	1,391,742	4,785	1,386,957	x x	5,778	1,381,179	x x
1925	1,617,684	8,168	1,609,516	x x	9,107	1,600,409	x x
1926	1,616,380	1,938	1,614,442	x x	2,814	1,611,628	x x
1927	1,581,689	2,228	1,579,461	x x	3,420	1,576,041	x x
1928	47,773	2,389	45,384	x x	2,995	42,389	x x
1929	50,333	2,517	47,816	x x	3,538	44,278	x x
1930	53,942	2,697	51,245	x x	4,048	47,197	x x
1931	58,537	2,927	55,610	x x	4,282	51,328	x x
Total	$7,745,798	$37,980	$7,707,818	x x	$48,040	$7,659,778	x x

* Allocated to the Long Lines and the Ohio Bell Telephone Company on the basis of Instruments charged June 30th.

/ Allocated:
To the Long Lines on the basis of the composite ratio of Plant, Employees, Expenses and Total Telephone Revenues.
To the Ohio Bell Telephone Company on the basis of the composite ratio of above factors plus Stations.

EXHIBIT A-168-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF COST (NET) OF CARRYING INVESTMENT IN

PHYSICAL PROPERTY USED IN RENDERING LICENSE CONTRACT SERVICES

YEARS 1923 - 1931

	Total Cost (1)	Deductions for "Non-License" Items (2)	Balance Associated Companies and Long Lines (3)	Allocated to Long Lines (4)		Balance Associated Companies (5)	Allocated to Ohio Bell Telephone Company (6)	
				% of Col. (3)	Amount		% of Col.(5)	Amount
. . . . .	$1,121,090	$ 0	$1,121,090	.06	$ 673	$1,120,417	3.7	$ 41,455
. . . . .	1,296,050	0	1,296,050	.06	778	1,295,272	3.7	47,925
. . . . .	1,454,330	0	1,454,330	.05	727	1,453,603	3.8	55,237
. . . . .	1,577,616	0	1,577,616	.05	789	1,576,827	4.0	63,073
. . . . .	1,537,123	0	1,537,123	.06	922	1,536,201	4.2	64,520
tal	$6,986,209	$ 0	$6,986,209	x x	$ 3,889	$6,982,320	x x	$272,210
e Furniture, etc. /								
. . . . .	$ 206,628	$10,331	$ 196,297	5.8	$11,385	$ 184,912	4.6	$ 8,506
. . . . .	95,692	4,785	90,907	5.5	5,000	85,907	4.5	3,866
. . . . .	163,354	8,168	155,186	5.4	8,380	146,806	4.3	6,318
. . . . .	38,764	1,938	36,826	5.5	2,025	34,801	4.2	1,462
. . . . .	44,566	2,228	42,338	5.9	2,498	39,840	4.2	1,673
. . . . .	47,773	2,389	45,384	6.6	2,995	42,389	4.3	1,823
. . . . .	50,333	2,517	47,816	7.4	3,538	44,278	4.4	1,948
. . . . .	53,942	2,697	51,245	7.9	4,048	47,197	4.3	2,029
. . . . .	58,537	2,927	55,610	7.7	4,282	51,328	4.2	2,156
tal	$ 759,589	$37,980	$ 721,609	x x	$44,151	$ 677,458	x x	$ 29,776
perty								
. . . . .	$1,327,718	$10,331	$1,317,387	x x	$12,058	$1,305,329	x x	$ 49,961
. . . . .	1,391,742	4,785	1,386,957	x x	5,778	1,381,179	x x	51,791
. . . . .	1,617,684	8,168	1,609,516	x x	9,107	1,600,409	x x	61,550
. . . . .	1,616,380	1,938	1,614,442	x x	2,814	1,611,628	x x	64,535
. . . . .	1,581,689	2,228	1,579,461	x x	3,420	1,576,041	x x	66,193
. . . . .	47,773	2,389	45,384	x x	2,995	42,389	x x	1,823
. . . . .	50,333	2,517	47,816	x x	3,538	44,278	x x	1,948
. . . . .	53,942	2,697	51,245	x x	4,048	47,197	x x	2,029
. . . . .	58,537	2,927	55,610	x x	4,282	51,328	x x	2,156
el	$7,745,798	$37,980	$7,707,818	x x	$48,040	$7,659,778	x x	$301,986

	Total Cost (1)	Deductions for "Non-License" Items (2)	Balance Associated Companies and Long Lines (3)	Allocated to Long Lines (4)		Balance Associated Companies (5)	Allocated to Ohio Bell Telephone Company (6)	
				% of Col. (3)	Amount		% of Col.(5)	Amount
. . . . .	$1,121,090	$ 0	$1,121,090	.06	$ 673	$1,120,417	3.7	$ 41,455
. . . . .	1,296,050	0	1,296,050	.06	778	1,295,272	3.7	47,925
. . . . .	1,454,330	0	1,454,330	.05	727	1,453,603	3.8	55,237
. . . . .	1,577,616	0	1,577,616	.05	789	1,576,827	4.0	63,073
. . . . .	1,537,123	0	1,537,123	.06	922	1,536,201	4.2	64,520
Total	$6,986,209	$ 0	$6,986,209	x x	$ 3,889	$6,982,320	x x	$272,210
ice Furniture, etc. /								
. . . . .	$ 206,628	$10,331	$ 196,297	5.8	$11,385	$ 184,912	4.6	$ 8,506
. . . . .	95,692	4,785	90,907	5.5	5,000	85,907	4.5	3,866
. . . . .	163,354	8,168	155,186	5.4	8,380	146,806	4.3	6,318
. . . . .	38,764	1,938	36,826	5.5	2,025	34,801	4.2	1,462
. . . . .	44,566	2,228	42,338	5.9	2,498	39,840	4.2	1,673
. . . . .	47,773	2,389	45,384	6.6	2,995	42,389	4.3	1,823
. . . . .	50,333	2,517	47,816	7.4	3,538	44,278	4.4	1,948
. . . . .	53,942	2,697	51,245	7.9	4,048	47,197	4.3	2,029
. . . . .	58,537	2,927	55,610	7.7	4,282	51,328	4.2	2,156
Total	$ 759,589	$37,980	$ 721,609	x x	$44,151	$ 677,458	x x	$ 29,776
roperty								
. . . . .	$1,327,718	$10,331	$1,317,387	x x	$12,058	$1,305,329	x x	$ 49,961
. . . . .	1,391,742	4,785	1,386,957	x x	5,778	1,381,179	x x	51,791
. . . . .	1,617,684	8,168	1,609,516	x x	9,107	1,600,409	x x	61,550
. . . . .	1,616,380	1,938	1,614,442	x x	2,814	1,611,628	x x	64,535
. . . . .	1,581,689	2,228	1,579,461	x x	3,420	1,576,041	x x	66,193
. . . . .	47,773	2,389	45,384	x x	2,995	42,389	x x	1,823
. . . . .	50,333	2,517	47,816	x x	3,538	44,278	x x	1,948
. . . . .	53,942	2,697	51,245	x x	4,048	47,197	x x	2,029
. . . . .	58,537	2,927	55,610	x x	4,282	51,328	x x	2,156
Total	$7,745,798	$37,980	$7,707,818	x x	$48,040	$7,659,778	x x	$301,986

Allocated to the Long Lines and the Ohio Bell Telephone Company on the basis of Instruments charged June 30th.
Allocated:
To the Long Lines on the basis of the composite ratio of Plant, Employees, Expenses and Total Telephone Revenues.
To the Ohio Bell Telephone Company on the basis of the composite ratio of above factors plus Stations.

EXHIBIT A-169-B (Sheet No. 1)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ALLOCATION TO OHIO BELL TELEPHONE COMPANY OF ESTIMATED COST OF HOLDING FUNDS AVAILABLE

YEARS 1923 TO 1931

	Total Cost of Funds Held Available (1)	Allocated to A.T. and T.Co. - General Purposes (2)		Associated Companies and Long Lines (Col.(1) Less Col.(2)) (3)	Long Lines (4)		Associated Companies (5)	Allocated to Ohio Bell Telephone Company (6)	
		% of Col.(1)#	Amount		% of Col.(3)/	Amount		% of Col.(5)/	Amount
23	$ 2,593,245	6.5	$ 168,561	$2,424,684	6.2	$150,330	$2,274,354	3.3	$ 75,054
24	2,878,183	7.1	204,351	2,673,832	5.5	147,061	2,526,771	3.4	85,910
25	3,720,562	6.8	252,998	3,467,564	5.4	187,248	3,280,316	4.2	137,773
26	3,372,690	7.4	249,579	3,123,111	7.9	246,726	2,876,385	5.2	149,572
27	2,795,555	9.4	262,782	2,532,773	9.7	245,679	2,287,094	4.7	107,493
28	2,846,036	7.3	207,761	2,638,275	12.3	324,508	2,313,767	4.9	113,375
29	1,340,367	20.9	280,137	1,060,230	15.3	162,215	898,015	5.6	50,289
30	10,047,325	58.7	*5,897,780	4,149,545	16.6	688,824	3,460,721	4.8	166,115
31	13,233,846	72.3	9,568,071	3,665,775	14.7	538,869	3,126,906	4.1	128,203

Per Cent of total cash allocated as available for A.T. and T.Co. - General purposes.

/ Composite ratio of Estimated Requirements, Plant Investment and Gross Additions.

* Includes provision to meet allotment requirements of Western Electric Co. The amount shown for the year 1929 reflects cost due to increase of $6,500,000 in requirements for general purposes over estimate used in preparing basic statement of license service costs.

EXHIBIT A-169-B (Sheet No. 2)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

Sheet No. 2.

AVERAGE FUNDS HELD AVAILABLE BY AMERICAN TEL. AND TEL. CO. TO MEET CURRENT CASH REQUIREMENTS OF

A. ASSOCIATED COMPANIES AND LONG LINES DEPARTMENT (AMERICAN TEL. AND TEL. CO.); AND
B. AMERICAN TELEPHONE AND TELEGRAPH COMPANY (FOR GENERAL PURPOSES)

Year	Average Total Amount Held Available During Year (1)	Average Amount (Estimated) held to meet needs of: American Tel. and Tel. Co. (General Purposes) (2) Amount	% of Col. (1)	Associated Companies and Long Lines Department (A.T. and T. Co.) (3)	Long Lines (4) % of Col. (3)	Long Lines (4) Amount	Associated Companies (5)	Allocated to Ohio Bell Telephone Company (6) % of Col. (5)	Allocated to Ohio Bell Telephone Company (6) Amount
1923	$ 77,179,633	$ 5,000,000	6.5	$ 72,179,633	6.2	$ 4,475,137	$67,704,496	3.3	$2,234,348
1924	77,848,514	5,500,000	7.1	72,348,514	5.5	3,979,168	68,369,346	3.4	2,324,558
1925	88,309,945	6,000,000	6.8	82,309,945	5.4	4,444,737	77,865,208	4.2	3,270,339
1926	88,160,031	6,500,000	7.4	81,660,031	7.9	6,451,142	75,208,889	5.2	3,910,862
1927	74,330,302	7,000,000	9.4	67,330,302	9.7	6,531,039	60,799,263	4.7	2,857,565
1928	102,175,926	7,500,000	7.3	94,675,926	12.3	11,645,139	83,030,787	4.9	4,068,509
1929	71,830,584	* 15,000,000	20.9	56,830,584	15.3	8,695,079	48,135,505	5.6	2,695,588
1930	270,650,760	*159,000,000	58.7	111,650,740	16.6	18,534,028	93,116,734	4.8	4,469,603
1931	328,633,154	*237,650,588	72.3	90,982,566	14.7	13,374,437	77,608,129	4.1	3,181,933

* Includes provision to meet allotment requirements of Western Electric Company. The amount shown for the year 1929 has been increased $6,500,000 over estimate used in preparing basic statement of license service costs.

/ Composite ratio of Estimated Requirements, Plant

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

Compilation of Costs Incurred in Rendering License Contract Services and Amounts Thereof Allocated to Ohio Bell Telephone Company as Shown in Exhibits A-103, 108, 117, 124, 152 to 162 and 164 to 169 incl.* (Chicago Record)

	1923			
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col.(a) Allocated to Ohio Bell Tel. Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co. (a)
1. COSTS OF RENDERING LICENSE CONTRACT SERVICES:				
Departmental:				
Development and Research	$ 2,883,039	$131,000	A 117	$ 3,120,276
Operation and Engineering	2,550,709	113,769	A 103 and A 108	2,688,340
Operation - General	241,740	9,543	A 159	241,069
Personnel	598,542	24,759	A 152	515,465
Information	634,338	23,562	A 124	694,427
Public Relations	-	-	-	21,878
Legal	759,191	26,971	A 160	746,667
Comptroller	972,573	40,036	A 155	1,070,737
Treasurer	954,861	38,893	A 154	1,258,097
Secretary	58,555	2,372	A 156	63,720
General Service Bureau	283,108	11,654	A 158	331,265
Sundry Items (Including Administration)	741,416	26,692	A 157	676,084
a) Total Departmental Costs	10,678,072	449,251		11,428,025
b) Instrument Maintenance	3,219,594	119,053	A 162	3,719,626
c) Taxes	2,982,657	118,392	A 161	3,537,701
d) Cost (net) of Carrying Investment in Physical Property used in Rendering License Contract Services #	1,327,718	49,961	A 168	1,391,742
e) Cost (net) incurred in Holding Funds Available during year to meet Cash Requirements of Licensee Companies #	2,593,245	75,054	A 169	2,878,183
f) Cost (net) of Temporary Financing #	1,535,913	-	-	2,260,603
g) Total	22,337,199	811,711	-	25,215,880
h) Deduction for "Non-License" Expenses **	772,806 #	(See Note #)	(From Exhibits listed above)	751,888 #
i) Total Costs	21,564,393	811,711		24,463,992
# Average Cost of Funds During Year (Per Cent)		6.87	A 164	

	1923			
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col.(a) Allocated to Ohio Bell Tel. Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co. (a)
1. COSTS OF RENDERING LICENSE CONTRACT SERVICES:				
Departmental:				
Development and Research	$ 2,883,039	$131,000	A 117	$ 3,120,276
Operation and Engineering	2,550,709	113,769	A 103 and A 108	2,688,340
Operation - General	241,740	9,543	A 159	241,069
Personnel	598,542	24,759	A 152	515,465
Information	634,338	23,562	A 124	694,427
Public Relations	-	-	-	21,878
Legal	759,191	26,971	A 160	746,667
Comptroller	972,573	40,036	A 155	1,070,737
Treasurer	954,861	38,893	A 154	1,258,097
Secretary	58,555	2,372	A 156	63,720
General Service Bureau	283,108	11,654	A 158	331,265
Sundry Items (Including Administration)	741,416	26,692	A 157	676,084
a) Total Departmental Costs	10,678,072	449,251		11,428,025
b) Instrument Maintenance	3,219,594	119,053	A 162	3,719,626
c) Taxes	2,982,657	118,392	A 161	3,537,701
d) Cost (net) of Carrying Investment in Physical Property used in Rendering License Contract Services/	1,327,718	49,961	A 168	1,391,742
e) Cost (net) incurred in Holding Funds Available during year to meet Cash Requirements of Licensee Companies /	2,593,245	75,054	A 169	2,878,183
f) Cost (net) of Temporary Financing /	1,535,913	-	-	2,260,603
g) Total	22,337,199	811,711	-	25,215,880
h) Deduction for "Non-License" Expenses **	772,806 #	(See Note #)	(From Exhibits listed above)	751,888 #
i) Total Costs	21,564,393	811,711		24,463,992
/ Average Cost of Funds During Year (Per Cent)	6.87		A 164	

* These costs do not include any amount for contingencies.

** This item comprises costs incurred for services other than those which benefit the Associated Companies and Long Lines.

\# No part of the figures $772,806 for 1923 and $751,888 for 1924 belongs in Column (b) because the amounts aggregating those sums have been taken out before prorating to Ohio Bell Telephone Company.

EXHIBIT A-170-B (Sheet No. 1)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

Compilation of Costs Incurred in Rendering License Contract Services and Amounts Thereof Allocated to Ohio Bell Telephone Company as Shown in Exhibits A-103, 108, 117, 124, 152 to 162 and 164 to 169 incl.* (Chicago Record)

	1923			1924		
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col.(a) Allocated to Ohio Bell Tel. Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col.(a) Allocated to Ohio Bell Tel. Co. (b)	Reference to Exhibit (Chicago Record) (c)
RVICES:						
. . . . .	$ 2,883,039	$131,000	A 117	$ 3,120,276	$130,000	A 117
. . . . .	2,550,709	113,769	A 103 and A 108	2,688,340	115,047	A 103 and A 108
. . . . .	241,740	9,543	A 159	241,069	9,013	A 159
. . . . .	598,542	24,759	A 152	515,465	20,747	A 152
. . . . .	634,338	23,562	A 124	694,427	25,923	A 124
. . . . .	-	-	-	21,878	930	A 153
. . . . .	759,191	26,971	A 160	746,667	27,064	A 160
. . . . .	972,573	40,036	A 155	1,070,737	43,256	A 155
. . . . .	954,861	38,893	A 154	1,258,097	50,291	A 154
. . . . .	58,555	2,372	A 156	63,720	2,531	A 156
. . . . .	283,108	11,654	A 158	331,265	13,383	A 158
tion)	741,416	26,692	A 157	676,084	26,586	A 157
. . . . .	10,678,072	449,251		11,428,025	464,771	
. . . . .	3,219,594	119,053	A 162	3,719,626	137,544	A 162
. . . . .	2,982,657	118,392	A 161	3,537,701	117,277	A 161
Physical Contract Services/ Available nts of Licensee .	1,327,718	49,961	A 168	1,391,742	51,791	A 168
. . . . .	2,593,245	75,054	A 169	2,878,183	85,910	A 169
. . . . .	1,535,913	-	-	2,260,603	-	-
. . . . .	22,337,199	811,711	-	25,215,880	857,293	-
**	772,806 #	(See Note #)	(From Exhibits listed above)	751,888 #	(See Note #)	(From Exhibits listed above)
. . . . .	21,564,393	811,711		24,463,992	857,293	

	1923			1924		
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col.(a) Allocated to Ohio Bell Tel. Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col.(a) Allocated to Ohio Bell Tel. Co. (b)	Reference to Exhibit (Chicago Record) (c)
ERVICES:						
. . . . .	$ 2,883,039	$131,000	A 117	$ 3,120,276	$130,000	A 117
. . . . .	2,550,709	113,769	A 103 and A 108	2,688,340	115,047	A 103 and A 108
. . . . .	241,740	9,543	A 159	241,069	9,013	A 159
. . . . .	598,542	24,759	A 152	515,465	20,747	A 152
. . . . .	634,338	23,562	A 124	694,427	25,923	A 124
. . . . .	-	-	-	21,878	930	A 153
. . . . .	759,191	26,971	A 160	746,667	27,064	A 160
. . . . .	972,573	40,036	A 155	1,070,737	43,256	A 155
. . . . .	954,861	38,893	A 154	1,258,097	50,291	A 154
. . . . .	58,555	2,372	A 156	63,720	2,531	A 156
. . . . .	283,108	11,654	A 158	331,265	13,383	A 158
tion)	741,416	26,692	A 157	676,084	26,586	A 157
. . . . .	10,678,072	449,251		11,428,025	464,771	
. . . . .	3,219,594	119,053	A 162	3,719,626	137,544	A 162
. . . . .	2,982,657	118,392	A 161	3,537,701	117,277	A 161
Physical Contract Services/ .	1,327,718	49,961	A 168	1,391,742	51,791	A 168
Available nts of Licensee						
. . . . .	2,593,245	75,054	A 169	2,878,183	85,910	A 169
. . . . .	1,535,913	-	-	2,260,603	-	-
. . . . .	22,337,199	811,711	-	25,215,880	857,293	-
**	772,806 #	(See Note #)	(From Exhibits listed above)	751,888 #	(See Note #)	(From Exhibits listed above)
. . . . .	21,564,393	811,711		24,463,992	857,293	
(Per Cent)	6.87		A 164	6.85		A 164

any amount for contingencies.

incurred for services other than those
ated Companies and Long Lines.

2,806 for 1923 and $751,888 for 1924 belongs in
ounts aggregating those sums have been taken
Ohio Bell Telephone Company.

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EXHIBIT A-170-B (Sheet No. 2)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

Compilation of Costs Incurred in Rendering License Contract Services and Amounts Thereof Allocated to Ohio Bell Telephone Company as Shown in Exhibits A-103, 108, 117, 124, 152 to 162 and 164 to 169 incl.* (Chicago Record)

	1925			
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co. (a)
1. COSTS OF RENDERING LICENSE CONTRACT SERVICES:				
Departmental:				
Development and Research	$ 3,601,273	$140,000	A 117	$ 4,314,518
Operation & Engineering	2,963,159	121,300	A 103 and A 108	3,301,306
Operation - General	243,589	8,694	A 159	271,875
Personnel	605,525	23,944	A 152	707,960
Information	740,464	31,184	A 124	857,320
Public Relations	27,751	1,129	A 153	27,365
Legal	780,265	27,283	A 160	750,600
Comptroller	1,176,720	45,473	A 155	1,306,614
Treasurer	944,914	36,131	A 154	1,381,752
Secretary	62,868	2,389	A 156	66,125
General Service Bureau	363,483	14,046	A 158	427,698
Sundry Items (including Administration)	746,357	28,722	A 157	754,735
a) Total Departmental Costs	$2,254,366	480,295 ✓	-	14,167,860
b) Instrument Maintenance	4,861,771	161,866 ✓	A 162	4,953,961
c) Taxes	3,955,659	127,349 ✓	A 161	3,408,795
d) Cost (net) of Carrying Investment in Physical Property used in Rendering License Contract Services #	1,617,684	61,550	A 168	1,616,380
e) Cost (net) Incurred in Holding Funds Available during year to meet Cash Requirements of Licensee Companies #	3,720,562	137,773 ✓	A 169	3,372,690
f) Cost (net) of Temporary Financing #	2,606,279	-	-	2,095,365
g) Total	$8,416,321	968,833	-	29,615,051
h) Deduction for "Non-License" Expenses **	864,890 #	(See Note #)	(From Exhibits listed above)	942,486
i) Total Costs	27,551,431	968,833 ✓	-	$8,672,565
Average Cost of Funds During Year (Per Cent)	6.93		A 164	6.83

	1925			
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co (a)
1. COSTS OF RENDERING LICENSE CONTRACT SERVICES:				
Departmental:				
Development and Research	$ 3,601,273	$140,000	A 117	$ 4,314,516
Operation & Engineering	2,963,159	121,300	A 103 and A 108	3,501,306
Operation - General	243,589	8,694	A 159	271,875
Personnel	605,523	23,944	A 152	707,960
Information	740,464	31,184	A 124	857,320
Public Relations	27,751	1,129	A 153	27,360
Legal	780,265	27,283	A 160	750,600
Comptroller	1,176,720	45,473	A 155	1,306,614
Treasurer	944,914	36,131	A 154	1,381,752
Secretary	62,868	2,389	A 156	66,125
General Service Bureau	363,483	14,046	A 158	427,692
Sundry Items (including Administration)	746,357	28,722	A 157	754,735
a) Total Departmental Costs	12,254,366	480,295 ✓	-	14,167,860
b) Instrument Maintenance	4,261,771	161,866 ✓	A 162	4,953,961
c) Taxes	3,955,659	127,349 ✓	A 161	3,408,795
d) Cost (net) of Carrying Investment in Physical Property used in Rendering License Contract Services #	1,617,684	61,550	A 168	1,616,380
e) Cost (net) Incurred in Holding Funds Available during year to meet Cash Requirements of Licensee Companies #	3,720,562	137,773 ✓	A 169	3,372,690
f) Cost (net) of Temporary Financing #	2,606,279	-	-	2,095,365
g) Total	28,416,321	968,833	-	29,615,051
h) Deduction for "Non-License" Expenses **	864,890 #	(See Note #)	(From Exhibits listed above)	942,486
i) Total Costs	27,551,431	968,833 ✓	-	28,672,565
# Average Cost of Funds During Year (Per Cent)	6.93		A 164	6.85

* These costs do not include any amount for contingencies.

** This item comprises costs incurred for services other than those which benefit the Associated Companies and Long Lines.

\# No part of the figures $864,890 for 1925 and $942,486 for 1926 belongs in Column (b) because the amounts aggregating those sums have been taken out before prorating to Ohio Bell Telephone Company.

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EXHIBIT A-170-B (Sheet No. 2)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

Compilation of Costs Incurred in Rendering License Contract Services and Amounts Thereof Allocated to Ohio Bell Telephone Company as Shown in Exhibits A-103, 108, 117, 124, 152 to 162 and 164 to 169 incl.* (Chicago Record)

	1925			1926		
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)
	$ 3,601,273	$140,000	A 117	$ 4,314,518	$ 165,000	A 117
	2,965,159	121,300	A 103 and A 108	3,301,306	131,722	A 103 and A 108
	243,589	8,694	A 159	271,875	9,682	A 159
	605,523	23,944	A 152	707,980	27,379	A 152
	740,464	31,184	A 124	857,320	35,103	A 124
	27,751	1,129	A 155	27,365	1,086	A 155
	780,265	27,283	A 160	750,600	26,354	A 160
	1,176,720	45,473	A 155	1,306,614	49,267	A 156
	944,914	36,131	A 154	1,381,752	51,551	A 154
	62,868	2,389	A 156	66,123	2,453	A 156
	363,483	14,046	A 158	427,692	16,126	A 158
	746,357	28,722	A 157	754,735	28,212	A 157
	$2,254,366	480,295 ✓	-	14,167,860	543,935	-
	4,861,771	161,866 ✓	A 162	4,963,961	198,059	A 162
	3,955,659	127,349 ✓	A 161	3,408,795	110,967	A 161
al ct ble	1,617,684	61,550	A 168	1,616,380	64,535	A 168
	3,720,562	137,773 ✓	A 169	3,372,690	149,572	A 169
	2,606,279	-	-	2,095,365	-	-
	28,416,321	968,838	-	29,615,051	1,067,068	-
	864,890 #	(See Note #)	(From Exhibits listed above)	942,486 #	(See Note #)	(From Exhibits listed above)
	27,551,431	968,833 ✓	-	28,672,565	1,067,068	-
it)	6.93		A 164	6.83		A 164

	1925			1926		
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Tel.Co. (b)	Reference te Exhibit (Chicago Record) (c)
VICES:						
. . . . .	$ 3,601,273	$140,000	A 117	$ 4,314,518	$ 165,000	A 117
. . . . .	2,963,159	121,300	A 103 and A 108	3,301,306	131,722	A 103 and A 108
. . . . .	245,589	8,694	A 159	271,875	9,682	A 159
. . . . .	605,523	23,944	A 152	707,960	27,379	A 152
. . . . .	740,464	31,184	A 124	857,320	35,103	A 124
. . . . .	27,751	1,129	A 155	27,365	1,086	A 155
. . . . .	780,265	27,283	A 160	750,600	26,354	A 160
. . . . .	1,178,720	45,473	A 155	1,306,614	49,267	A 156
. . . . .	944,914	36,131	A 154	1,381,752	51,551	A 154
. . . . .	62,868	2,389	A 156	66,125	2,453	A 156
. . . . .	363,483	14,046	A 158	427,692	16,126	A 158
a)	746,357	28,722	A 157	754,735	28,212	A 157
. . . . .	12,254,366	480,295 ✓	-	14,167,860	543,935	-
. . . . .	4,861,771	161,866 ✓	A 162	4,953,961	198,059	A 162
. . . . .	3,955,659	127,349 ✓	A 161	3,408,795	110,967	A 161
ysical ntract	1,617,684	61,550	A 168	1,616,380	64,535	A 168
ilable of	3,780,562	137,773 ✓	A 169	3,372,690	149,572	A 169
. . . . .	2,606,279	-	-	2,095,365	-	-
. . . . .	88,416,321	968,833	-	29,615,051	1,067,068	-
. . . . .	864,890 #	(See Note #)	(From Exhibits listed above)	942,486 #	(See Note #)	(From Exhibits listed above)
. . . . .	27,551,431	968,833 ✓	-	28,672,565	1,067,068	-
Cent)	6.93		A 164	6.83		A 164

amount for contingencies.

urred for services other than ociated Companies and Long Lines.

0 for 1925 and $942,486 for 1926 belongs ounts aggregating those sums have been o Ohio Bell Telephone Company.

61+50
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13890

EXHIBIT A-170-B (Sheet No. 3)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

Compilation of Costs Incurred in Rendering License Contract Services and Amounts Thereof Allocated to Ohio Bell Telephone Company as Shown in Exhibits A-103, 108, 117, 124, 152 to 162 and 164 to 169 incl.* (Chicago Record)

	1927			
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col.(a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co. (a)
1. COSTS OF RENDERING LICENSE CONTRACT SERVICES:				
Departmental:				
Development and Research	$ 5,389,515	$ 207,000	A 117	$ 5,551,381
Operation & Engineering	3,562,940	141,563	A 103 and A 108	3,815,983
Operation - General	265,671	9,349	A 159	296,718
Personnel	938,415	36,348	A 152	974,418
Information	789,697	31,514	A 124	1,035,998
Public Relations	27,471	1,086	A 155	27,878
Legal	796,754	28,075	A 160	1,029,350
Comptroller	1,412,231	53,024	A 155	1,484,471
Treasurer	1,103,130	40,982	A 154	1,648,286
Secretary	65,634	2,348	A 156	68,463
General Service Bureau	440,925	16,555	A 158	466,002
Sundry Items (including Administration)	876,924	32,671	A 157	777,082
a) Total Departmental Costs	15,667,287	600,515	-	17,111,950
b) Instrument Maintenance	5,217,807	219,016	A 162	-
c) Taxes	3,340,070	107,772	A 161	1,671,872
d) Cost (net) of Carrying Investment in Physical Property used in Rendering License Contract Services ♯	1,581,689	66,193	A 168	47,773
e) Cost (net) Incurred in Holding Funds Available during year to meet Cash Requirements of Licensee Companies ♯	2,795,555	107,493	A 169	2,846,056
f) Cost (net) of Temporary Financing ♯	1,839,609	-	-	1,051,450
g) Total	30,442,017	1,100,989	-	22,729,061
h) Deduction for "Non-License" Expenses **	859,528 ♯	(See Note ♯)	(From Exhibits listed above)	907,149
i) Total Costs	29,582,489	1,100,989		21,821,912
Average Cost of Funds During Year - Per Cent	6.86		A 164	6.55

	1927			
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col.(a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co. (a)
1. COSTS OF RENDERING LICENSE CONTRACT SERVICES:				
Departmental:				
Development and Research	$ 5,389,515	$ 207,000	A 117	$ 5,551,381
Operation & Engineering	3,562,940	141,563	A 103 and A 108	3,813,985
Operation - General	265,671	9,349	A 159	286,718
Personnel	938,415	36,348	A 152	984,418
Information	789,697	31,514	A 124	1,033,998
Public Relations	27,471	1,086	A 153	27,878
Legal	796,734	28,075	A 160	1,029,330
Comptroller	1,412,231	53,024	A 156	1,484,471
Treasurer	1,103,150	40,982	A 154	1,648,286
Secretary	65,654	2,348	A 156	68,463
General Service Bureau	440,925	16,555	A 158	466,002
Sundry Items (including Administration)	876,924	32,671	A 157	777,082
a) Total Departmental Costs	15,667,287	600,515	-	17,111,950
b) Instrument Maintenance	5,217,807	219,016	A 162	-
c) Taxes	3,340,070	107,772	A 161	1,671,872
d) Cost (net) of Carrying Investment in Physical Property used in Rendering License Contract Services #	1,581,689	66,193	A 168	47,773
e) Cost (net) Incurred in Holding Funds Available during year to meet Cash Requirements of Licensee Companies #	2,795,55[illegible]	107,493	A 169	2,846,036
f) Cost (net) of Temporary Financing #	1,839,609	-	-	1,051,430
g) Total	30,442,017	1,100,989	-	22,729,061
h) Deduction for "Non-License" Expenses **	859,528 #	(See Note #)	(From Exhibits listed above)	907,149
i) Total Costs	29,582,489	1,100,989		21,821,912
# Average Cost of Funds During Year - Per Cent	6.86		A 164	6.55

* These costs do not include any amount for contingencies.

** This item comprises costs incurred for services other than those which benefit the Associated Companies and Long Lines.

\# No part of the figures $859,528 for 1927 and $907,149 for 1928 belongs in Column (b) because the amounts aggregating those sums have been taken out before prorating to Ohio Bell Telephone Company.

EXHIBIT A-170-B (Sheet No. 3)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

Compilation of Costs Incurred in Rendering License Contract Services and Amounts Thereof Allocated to Ohio Bell Telephone Company as Shown in Exhibits A-103, 108, 117, 124, 152 to 162 and 164 to 169 incl.* (Chicago Record)

	1927			1928		
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col.(a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col.(a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)
RVICES:						
. . . . .	$ 5,369,515	$ 207,000	A 117	$ 5,551,381	$217,000	A 117
. . . . .	3,562,940	141,563	A 103 and A 108	3,813,985	154,161	A 103 and A 108
. . . . .	265,671	9,349	A 159	286,718	10,113	A 159
. . . . .	938,415	36,348	A 152	924,418	36,978	A 152
. . . . .	789,697	31,514	A 124	1,035,998	41,441	A 124
. . . . .	27,471	1,086	A 153	27,878	1,120	A 153
. . . . .	796,734	28,075	A 160	1,029,330	36,140	A 160
. . . . .	1,412,231	53,024	A 155	1,454,471	56,638	A 155
. . . . .	1,103,150	40,982	A 154	1,648,286	62,224	A 154
. . . . .	63,634	2,348	A 156	68,465	2,571	A 156
. . . . .	440,925	16,555	A 158	466,002	17,780	A 158
ion)	876,924	32,671	A 157	777,068	29,171	A 157
. . . . .	15,667,287	600,515	-	17,111,950	665,337	-
. . . . .	5,217,807	219,016	A 162	-	-	-
. . . . .	3,340,070	107,772	A 161	1,671,872	41,859	A 161
hysical ontract	1,581,689	66,193	A 168	47,773	1,823	A 168
vailable s of	2,795,555	107,493	A 169	2,846,036	115,375	A 169
. . . . .	1,839,609	-	-	1,051,430	-	-
. . . . .	80,448,017	1,100,989	-	22,729,061	822,394	-
. . . . .	859,528 #	(See Note #)	(From Exhibits listed above)	907,149 #	(See Note #)	(From Exhibits listed above)
. . . . .	29,582,489	1,100,989		21,821,912	822,394	
Per Cent . .	6.86		A 164	6.55		A 164

	1927			1928		
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col.(a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col.(a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)
VICES:						
. . . . .	$ 5,389,515	$ 207,000	A 117	$ 5,551,381	$217,000	A 117
. . . . .	3,562,940	141,563	A 103 and A 108	3,813,985	154,161	A 103 and A 108
. . . . .	265,671	9,349	A 159	286,718	10,113	A 159
. . . . .	938,415	36,348	A 152	924,418	36,978	A 152
. . . . .	789,697	31,514	A 124	1,033,998	41,441	A 124
. . . . .	27,471	1,086	A 153	27,878	1,120	A 153
. . . . .	796,734	28,075	A 160	1,029,350	36,140	A 160
. . . . .	1,412,231	53,024	A 155	1,484,471	56,638	A 155
. . . . .	1,103,150	40,982	A 154	1,648,286	62,224	A 154
. . . . .	63,634	2,348	A 156	68,463	2,571	A 156
. . . . .	440,925	16,555	A 158	466,002	17,780	A 158
on)	876,924	32,671	A 157	777,082	29,171	A 157
. . . . .	15,667,287	600,515	-	17,111,950	665,337	-
. . . . .	5,217,807	219,016	A 162	-	-	-
. . . . .	3,340,070	107,772	A 161	1,671,872	41,859	A 161
ysical ntract	1,581,689	66,193	A 168	47,773	1,823	A 168
ailable of	2,795,555	107,493	A 169	2,846,036	115,375	A 169
. . . . .	1,839,609	-	-	1,061,430	-	-
. . . . .	30,442,017	1,100,989	-	28,789,061	822,394	-
. . . . .	859,528 #	(See Note #)	(From Exhibits listed above)	907,149 #	(See Note #)	(From Exhibits listed above)
. . . . .	29,582,489	1,100,989		21,821,912	822,394	
r Cent . .	6.86		A 164	6.55		A 164

any amount for contingencies.

incurred for services other than Associated Companies and Long Lines.

59,528 for 1927 and $907,149 for 1928 cause the amounts aggregating those before prorating to Ohio Bell

EXHIBIT A-170-B (Sheet No. 4)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

Compilation of Costs Incurred in Rendering License Contract Services and Amounts Thereof Allocated to Ohio Bell Telephone Company as Shown in Exhibits A-103, 108, 117, 124, 152 to 162 and 164 to 169 incl.* (Chicago Record)

	1929			
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Cos Incurred American (a)
1, COSTS OF RENDERING LICENSE CONTRACT SERVICES:				
Departmental:				
Development and Research	$ 7,048,714	$270,000	A 117	$ 9,618,2
Operation & Engineering	4,102,105	168,039	A 103 and A 108	4,340,5
Operation - General	317,727	10,857	A 159	341,0
Personnel	1,056,306	41,623	A 152	1,100,2
Information	1,347,170	55,377	A 124	1,351,6
Public Relations	35,741	1,444	A 153	49,4
Legal	892,727	23,222	A 160	967,0
Comptroller	1,566,822	60,647	A 155	1,704,6
Treasurer	1,591,063	60,937	A 154	2,499,6
Secretary	69,348	2,639	A 156	68,3
General Service Bureau	508,045	19,665	A 158	555,1
Sundry Items (including Administration)	803,927	31,117	A 157	1,015,5
a) Total Departmental Costs	19,139,885	745,567	-	23,611,7
b) Instrument Maintenance	-	-	-	
c) Taxes	1,018,102	17,576	A 161	988,8
d) Cost (net) of Carrying Investment in Physical Property used in Rendering License Contract Services ϕ	50,333	1,948	A 168	53,9
e) Cost (net) Incurred in Holding Funds Available during year to meet Cash Requirements of Licensee Companies ϕ	1,340,367	50,289	A 169	4,149,5
f) Cost (net) of Temporary Financing ϕ	2,452,536	-	-	1,137,4
g) Total	24,001,033	815,380	-	29,941,5
h) Deduction for "Non-License" Expenses **	1,050,628 #	(See Note #)	(From Exhibits listed above)	1,152,3
i) Total Costs	22,950,405	815,380		28,789,2
ϕ Average Cost of Funds During Year - Per Cent	6.53	-	A 164	6.2

	1929			
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)	Tota Incu Amer (
1. COSTS OF RENDERING LICENSE CONTRACT SERVICES:				
Departmental:				
Development and Research	$ 7,048,714	$270,000	A 117	$ 9,
Operation & Engineering	4,102,105	168,039	A 103 and A 108	4,
Operation - General	317,727	10,857	A 159	
Personnel	1,056,306	41,623	A 152	1,
Information	1,347,170	55,377	A 124	1,
Public Relations	35,741	1,444	A 153	
Legal	892,727	23,222	A 160	
Comptroller	1,566,822	60,647	A 155	1,
Treasurer	1,591,063	60,937	A 154	2,
Secretary	69,348	2,639	A 156	
General Service Bureau	508,045	19,665	A 158	
Sundry Items (including Administration)	803,927	31,117	A 157	1,
a) Total Departmental Costs	19,139,885	745,567	-	23,
b) Instrument Maintenance	-	-	-	
c) Taxes	1,018,102	17,576	A 161	
d) Cost (net) of Carrying Investment in Physical Property used in Rendering License Contract Services ϕ	50,333	1,948	A 168	
e) Cost (net) Incurred in Holding Funds Available during year to meet Cash Requirements of Licensee Companies ϕ	1,340,367	50,289	A 169	4,
f) Cost (net) of Temporary Financing ϕ	2,452,536	-	-	1,
g) Total	24,001,033	815,380	-	29,
h) Deduction for "Non-License" Expenses **	1,050,628 #	(See Note #)	(From Exhibits listed above)	1,
i) Total Costs	22,950,405	815,380		28,
ϕ Average Cost of Funds During Year - Per Cent	6.53	-	A 164	

* These costs do not include any amount for contingencies.

** This item comprises costs incurred for services other than those which benefit the Associated Companies and Long Lines.

\# No part of the figures $1,050,628 for 1929 and $1,152,350 for 1930 belongs in Col. (b) because the amounts aggregating those sums have been taken out before prorating to Ohio Bell Telephone Company.

EXHIBIT A-170-B (Sheet No. 4)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

Compilation of Costs Incurred in Rendering License Contract Services and Amounts Thereof Allocated to Ohio Bell Telephone Company as Shown in Exhibits A-103, 108, 117, 124, 152 to 162 and 164 to 169 incl.* (Chicago Record)

	1929			1930		
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)
ES:						
. . . . .	$ 7,048,714	$270,000	A 117	$ 9,618,267	$ 380,000	A 117
. . . . .	4,102,105	168,039	A 103 and A 108	4,340,568	176,470	A 103 and A 108
. . . . .	317,727	10,857	A 159	341,080	11,147	A 159
. . . . .	1,056,306	41,623	A 152	1,100,273	42,136	A 152
. . . . .	1,347,170	55,377	A 124	1,351,611	54,324	A 124
. . . . .	35,741	1,444	A 153	49,467	1,932	A 153
. . . . .	692,727	23,222	A 160	967,031	33,062	A 160
. . . . .	1,566,822	60,647	A 155	1,704,662	64,134	A 155
. . . . .	1,591,063	60,937	A 154	2,499,674	93,055	A 154
. . . . .	69,348	2,639	A 156	68,384	2,527	A 156
. . . . .	508,045	19,665	A 158	555,152	20,886	A 158
. . . . .	803,927	31,117	A 157	1,015,566	28,769	A 157
. . . . .	19,139,691	745,567	-	23,611,735	908,442	-
. . . . .	-	-	-	-	-	-
. . . . .	1,018,102	17,576	A 161	988,898	15,459	A 161
ical ract	50,333	1,948	A 168	53,942	2,029	A 168
able r	1,340,367	50,289	A 169	4,149,545	166,115	A 169
. . . . .	2,452,536	-	-	1,137,450	-	-
. . . . .	24,001,033	815,380	-	29,941,570	1,092,045	-
. . . . .	1,050,628 #	(See Note #)	(From Exhibits listed above)	1,152,350 #	(See Note #)	(From Exhibits listed above)
. . . . .	22,950,405	815,380		28,789,220	1,092,045	
cent	6.53	-	A 164	6.25	-	A 164

	1929			1930		
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Tel.Co. (b)	Reference to Exhibit (Chicago Record) (c)
VICES:						
. . . . .	$ 7,048,714	$270,000	A 117	$ 9,618,267	$ 380,000	A 117
. . . . .	4,102,105	168,039	A 103 and A 108	4,340,568	176,470	A 103 and A 108
. . . . .	317,727	10,857	A 159	341,080	11,147	A 159
. . . . .	1,056,306	41,623	A 152	1,100,273	42,136	A 152
. . . . .	1,347,170	55,377	A 124	1,351,611	54,324	A 124
. . . . .	35,741	1,444	A 153	49,467	1,932	A 153
. . . . .	892,727	23,222	A 160	967,031	33,062	A 160
. . . . .	1,566,822	60,647	A 155	1,704,662	64,134	A 155
. . . . .	1,591,063	60,937	A 154	2,499,674	93,055	A 154
. . . . .	69,348	2,639	A 156	68,384	2,527	A 156
. . . . .	508,045	19,665	A 158	555,152	20,886	A 158
on)	803,927	31,117	A 157	1,015,566	28,969	A 157
. . . . .	19,139,695	745,567	-	23,611,735	908,442	-
. . . . .	-	-	-	-	-	-
. . . . .	1,018,102	17,576	A 161	988,898	15,459	A 161
ysical ntract	50,333	1,948	A 168	53,942	2,029	A 168
ilable of	1,340,367	50,289	A 169	4,149,545	166,115	A 169
. . . . .	2,452,536	-	-	1,137,450	-	-
. . . . .	24,001,033	815,380	-	29,941,570	1,092,045	-
. . . . .	1,050,628 #	(See Note #)	(From Exhibits listed above)	1,152,350 #	(See Note #)	(From Exhibits listed above)
. . . . .	22,950,405	815,380		28,789,220	1,092,045	
r Cent	6.53	-	A 164	6.25	-	A 164

y amount for contingencies.

urred for services other than
ociated Companies and Long Lines.

,628 for 1929 and $1,152,350 for 1930
the amounts aggregating those sums
prorating to Ohio Bell Telephone Company.

EXHIBIT A-170-B (Sheet No. 5)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

Compilation of Costs Incurred in Rendering License Contract Services and Amounts Thereof Allocated to Ohio Bell Telephone Company as Shown in Exhibits A-103, 108, 117, 124, 152 to 162 and 164 to 169 incl.* (Chicago Record)

	1931	
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated Ohio Bell Telephone Comp (b)
1. COSTS OF RENDERING LICENSE CONTRACT SERVICES:		
Departmental:		
Development and Research	$ 8,873,209	$338,000
Operation & Engineering	4,234,967	164,528
Operation - General	327,647	10,071
Personnel	1,080,695	39,560
Information	1,307,480	52,365
Public Relations	38,439	1,483
Legal	915,625	31,437
Comptroller	1,692,075	62,315
Treasurer	1,652,282	60,209
Secretary	56,343	2,038
General Service Bureau	517,808	19,070
Sundry Items (including Administration)	751,771	25,845
a) Total Departmental Costs	21,448,341	806,921
b) Instrument Maintenance	-	-
c) Taxes	1,537,360	35,398
d) Cost (net) of Carrying Investment in Physical Property used in Rendering License Contract Services #	88,537	2,156
e) Cost (net) Incurred in Holding Funds Available during year to meet Cash Requirements of Licensee Companies #	3,665,775	128,203
f) Cost (net) of Temporary Financing #	1,709,528	-
g) Total	28,419,541	972,678
h) Deduction for "Non-License" Expenses **	750,011 #	(See Note #)
i) Total Costs	27,669,530	972,678
# Average Cost of Funds During Year (Per Cent)	6.42	

	1931	
	Total Costs Incurred by American Co. (a)	Amounts of Cost in Col. (a) Alloc Ohio Bell Telephone C (b)
1. COSTS OF RENDERING LICENSE CONTRACT SERVICES:		
Departmental:		
Development and Research	$ 8,873,209	$338,000
Operation & Engineering	4,234,967	164,528
Operation - General	327,647	10,071
Personnel	1,080,695	39,560
Information	1,307,480	52,365
Public Relations	38,439	1,483
Legal	915,625	31,437
Comptroller	1,692,075	62,315
Treasurer	1,652,282	60,209
Secretary	56,343	2,038
General Service Bureau	517,808	19,070
Sundry Items (including Administration)	751,771	25,845
a) Total Departmental Costs	21,448,341	806,921
b) Instrument Maintenance	-	-
c) Taxes	1,537,360	35,398
d) Cost (net) of Carrying Investment in Physical Property used in Rendering License Contract Services #	58,537	2,156
e) Cost (net) Incurred in Holding Funds Available during year to meet Cash Requirements of Licensee Companies #	3,665,775	128,203
f) Cost (net) of Temporary Financing #	1,709,528	-
g) Total	28,419,541	972,678
h) Deduction for "Non-License" Expenses **	750,011 #	(See Note
i) Total Costs	27,669,530	972,678
# Average Cost of Funds During Year (Per Cent)	6.42	

* These costs do not include any amount for contingencies.

** This item comprises costs incurred for services other than those which benefit the Associated Companies and Long Lines.

No part of the figure $750,011 for 1931 belongs in Column (b) because the amounts aggregating that sum have been taken out before prorating to Ohio Bell Telephone Company.

EXHIBIT A-170-B (Sheet No. 5)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

Compilation of Costs Incurred in Rendering License Contract Services
and Amounts Thereof Allocated to Ohio Bell Telephone Company as Shown in
Exhibits A-103, 108, 117, 124, 152 to 162 and 164 to 169 incl.* (Chicago Record)

	1931		
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Telephone Company (b)	Reference to Exhibit (Chicago Record) (c)
CONTRACT SERVICES:			
h	$ 8,873,209	$338,000	A 117
	4,234,967	164,528	
	327,647	10,071	A 159
	1,080,695	39,560	A 152
	1,307,480	52,365	A 124
	38,439	1,483	A 153
	915,625	31,437	A 160
	1,692,075	62,315	A 155
	1,652,282	60,209	A 154
	56,343	2,038	A 156
	517,808	19,070	A 158
Administration)	751,771	25,845	A 157
al Costs	21,448,341	806,921	
	-	-	-
	1,537,360	35,398	A 161
vestment in Physical ing License Contract	58,537	2,156	A 168
lding Funds Available h Requirements of	3,665,775	128,203	A 169
inancing #	1,709,528	-	-
	28,419,541	972,678	-
e" Expenses **	750,011 #	(See Note #)	(From Exhibits listed above)
	27,669,530	972,678	
uring Year (Per Cent)	6.42		A 164

Exhibits A-103, 108, 117, 124, 152 to 162 and 164 to 169 incl.* (Chicago Record)

	1931		
	Total Costs Incurred by American Co. (a)	Amounts of Costs in Col. (a) Allocated to Ohio Bell Telephone Company (b)	Reference to Exhibit (Chicago Record) (c)
CONTRACT SERVICES:			
	$ 8,873,209	$338,000	A 117
	4,234,987	164,528	
	327,647	10,071	A 159
	1,080,695	39,560	A 152
	1,307,480	52,365	A 124
	38,439	1,483	A 153
	915,625	31,437	A 160
	1,692,075	62,315	A 155
	1,652,282	60,209	A 154
	56,343	2,038	A 156
	517,808	19,070	A 158
Administration)	751,771	25,845	A 157
l Costs	21,448,341	806,921	
	-	-	-
	1,537,360	35,398	A 161
estment in Physical ng License Contract	58,537	2,156	A 168
ding Funds Available Requirements of	3,665,775	128,203	A 169
nancing #	1,709,528	-	-
	28,419,541	972,678	-
Expenses **	750,011 #	(See Note #)	(From Exhibits listed above)
	27,669,530	972,678	
ring Year (Per Cent)	6.42		A 164

include any amount for contingencies.

costs incurred for services other than it the Associated Companies and Long Lines.

for 1931 belongs in Column (b)

EXHIBIT A-171

American Telephone and Telegraph Company

Royalties Received from Western Electric Company, Incorporated, Electrical Research Products, Incorporated, and Others, Years 1923–1931

	1923	1924	1925	1926	1927	1928	1929	1930	1931	Total
Royalties Received by E.R.P.I. (assignee of W.E.Co.) and Portion thereof paid to A. T. and T. Co.	$.....	$.....	$42,923	$93,645	$198,087	$206,970	$304,861	$592,270	$959,450	$2,398,206
Sales by Graybar Electric Company of close talking microphones	.....	.....	.....	.....	.....	.....	.....	.....	240	240
Sales by Western Electric Company of Restricted Apparatus	94,977	67,677	82,797	77,417	203,223	218,298	899,934	514,653	161,808	2,320,784
Miscellaneous Royalties	.....	.....	.....	.....	1,167	579	2,080	3,232	14,057	21,115
Total	94,977	67,677	125,720	171,062	402,477	425,847	1,206,875	1,110,155	1,135,555	4,740,345
Patent Receipts	.....	.....	5,239	.....	33,489	16,250	11,775	20,000	.....	86,753
License Fees for Radio Broadcasting	2,500	45,859	81,557	89,919	104,461	63,796	14,451	500*	.....	402,043
Total	$97,477	$113,536	$212,516	$260,981	$540,427	$505,893	$1,233,101	$1,129,655	$1,135,555	$5,229,141

* Red figures.

[fol. 13895]

EXHIBIT A-172

American Telephone and Telegraph Company

Capital Stock

	Par value	Consideration	Premiu
(a) Sold to American Bell Telephone Company:			
When Issued:			
1885–1896	$17,500,000	$17,500,000	$0
1895	2,500,000	Franchise	0
1889–1900	12,110,400	12,110,400	0
1889–1900	51,772,600	258,863 shares of American Bell Tel. Co. stock having book value of about $228 per share	0
Total of above	$83,883,000	$83,883,000	0
b) Sold to Others:			
1900–1931			
Issued in conversion of bonds—			
Convertible 4s 1936	$110,751,900	$146,935,391	$36,183
Convertible 4½s 1933	60,894,300	73,073,160	12,178
Convertible 4½s 1939	206,189,700	371,045,041	164,855
Convertible 6s 1925	49,116,200	52,063,172	2,946
	426,952,100	643,116,764	216,164
Exchanged on basis of 4 shares for 5 for Bell Telephone Company of Pennsylvania stock (1918) A. T & T. Co. $125 Bell of Pa. $100	6,000,000	7,500,000	1,500
Issued in exchange for common stock of Teletype Corporation (1930)	15,000,000	30,000,000	15,000
Issued under circular offers to stockholders (1900–1931)			
Through subscription	1,135,113,900	1,135,118,993	
Unsubscribed sold	13,862,700	18,874,001	5,011
	1,148,976,600	1,153,992,994	5,016
Issued under Employees' Stock Plans (1921–1931)	185,024,400	215,911,927	30,887
	$1,865,836,100	$2,134,404,685	$268,568

EXHIBIT A-174-B

ANNUAL PAYROLLS AND ACCRUALS FOR SERVICE PENSIONS

OHIO BELL TELEPHONE COMPANY

Years	Accruable Payroll-	Amounts
1923	$12,099,468	$ -
1924	13,167,462	-
1925	14,240,832	-
1926	15,192,236	-
1927	16,139,924	183,000*
1928	17,376,355	414,146
1929	19,390,325	474,755
1930	19,376,489	504,013
1931	17,356,970	471,109

* Fifteen year basis of accrual.

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Earnings of the Western Electric Company on Bell Business Expressed in Percentages of Sales and in Percentage of (a) Average Investment and (b) Average Investment Less Amount of Depreciation Reserve Account, 1916 to 1932, Inclusive

(Dollars in Thousands)

	(a) Sales	(b) Earnings	(c) Per Cent Earnings to Sales (b + a)	(d) Average Investment	(e) Per Cent Earnings to Average Investment (b + d)	(f) Average Investment Less Amount of Deprec. Reserve Account	(g) Per Cent Earnings to Average Investment Less Amount of Deprec. Reserve Account (b + f)
1916	$73,915	$2,140	2.9	$46,112	4.6	$36,167	5.9
1917	104,682	2,525	2.4	66,184	3.8	53,885	4.7
1918	79,217	2,421	3.1	70,685	3.4	56,047	4.3
1920	80,361	2,687	3.3	69,939	3.8	54,584	4.9
1921	130,712	4,855	3.7	98,914	4.9	79,956	6.1
1922	142,885	11,138	7.8	125,330	8.9	102,361	10.9
1923	159,957	6,362	4.0	123,089	5.2	96,490	6.6
1924	188,159	6,192	3.3	131,504	4.7	102,455	6.0
1925	233,300	10,875	4.7	158,488	6.9	124,613	8.7
1926	226,700	16,252	7.2	163,085	10.0	126,995	12.8
1927	247,203	12,551	5.1	160,255	7.8	121,745	10.3
1928	241,062	16,868	7.0	167,371	10.1	122,183	13.8
1929	267,808	17,284	6.5	161,378	10.7	113,560	15.2
1930	372,384	17,372	4.7	204,507	8.5	152,880	11.4
1931	338,830	11,685	3.4	270,556	4.3	206,497	5.7
1932 (3 Mos. x 4)	219,535	10,500	4.8	270,423	3.9	194,624	5.4
	151,472	(6,400)	(4.2)	265,253	(2.4)	173,599	(3.7)
Total	3,258,182	145,307	4.5	2,553,073	5.7	1,918,641	7.6
Total 1923 to 1931	2,334,981	119,579	5.1	1,687,567	7.1	1,265,552	9.4
Total 1923 to 1932	2,486,453	113,179	4.6	1,952,820	5.8	1,439,151	7.9

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[fols. 13901-13904]

EXHIBIT A-198

American Telephone and Telegraph Company

Statement of (a) License Contract, Revenues and (b) Costs Incurred in Rendering License Contract Services; also Additional Items which should be Considered on the Assumption that American Telephone and T
a Contracting Party Entitled to Make a Fair Contract with Associated Companies and a Fair Profit Therefrom

	1923	1924	1925	1926	1927	1928	1929	1930	1931
A. License Contract Revenues received from Associated Companies and Bell Telephone Company of Canada	$24,309,368	$26,784,492	$30,197,214	$29,850,303	$32,454,652	$17,622,365	$14,455,588	$15,025,890	$14,718
B. Costs Incurred in Rendering License Contract Services (Exhibit A-170) less amounts which have been allocated to Long Lines Department (American Company)	20,596,272	23,481,754	26,556,167	27,530,643	28,286,823	20,368,791	21,438,847	26,250,577	25,340
C. (A) less (B) Above	3,713,096	3,302,738	3,641,047	2,319,660	4,167,829	2,746,426*	6,983,259*	11,224,687*	10,622
D. Deduct additional amounts as follows:									
(1) Amount by which Pension Accruals for General Department of American Company during 1923-1926, inclusive, exceed actual disbursements for Pensions (Exhibits A-178 and A-177)	76,716	96,825	117,091	134,955					
(2) Fair allowance for telephone instruments (Exhibit A-) less costs already included in Item B above (the costs shown on Exhibit A-170)	2,332,636	2,719,135	2,957,830	2,871,368	2,454,998				
Total	$2,409,352	$2,815,960	$3,074,921	$3,006,323	$2,454,998				
E. Net Balance—License Revenues less Costs and Deductions shown above	$1,303,744	$486,778	$566,126	$686,663*	$1,712,831	$2,746,426*	$6,983,259*	$11,224,687*	$10,62

Additional Items to be Considered in Connection with Above "Net Balance" (Item E):

(a) Liability of American Company to Associated Companies under guarantee to protect and save harmless these companies from all actions and suits charging infringement of patents (Section 2—License Contract). During the period 1923—1931, inclusive, the American Company transferred from its Surplus to a "Reserve for Contingencies" the amounts here shown against this item aggregating $30,395,800. A controlling purpose in creating this Reserve was to provide financial protection against this infringement liability.

1923	1924	1925	1926	1927	1928	1929	1930	1931	Total
$3,000,000	$3,000,000	$6,000,000	$4,000,000	$3,000,000*	$3,000,000*	$3,000,000*	$3,000,000*	$2,395,800*	$30,395,800

* Portion of total amount of $14,395,800 credited to "Reserve for Contingencies" in 1927.

(b) Acquisition for benefit of Associated Companies of rights under General Electric Co. and Radio Corp. of America patents by surrender of rights in radio field worth upwards of $10,000,000. (See testimony of Dr. F. B. Jewett, pages 2107-2122, inclusive, of Transcript.)

(c) An allowance sufficient to yield a fair return, plus profit, on the value of all property used in rendering license contract services, including value of the Development and Research and other General Department organizations of the Company, less costs already included in Exhibit A-167 and Item D(2) above.

(d) In all computations involving "Average cost of funds used in the business" these average costs give effect to the inclusion with capital funds paid into the business all Surplus of the Company, whether appropriated or unappropriated, on the basis of no capital charge cost to the Company. This method of procedure has reduced materially the percentage rate for "cost of funds" wherever that rate was used in determining costs.

* Red Figures.

EXHIBIT A-198

American Telephone and Telegraph Company

osts Incurred in Rendering License Contract Services, also Additional Items which should be Considered on the Assumption that American Telephone and Telegraph Company is a Contracting Party Entitled to Make a Fair Contract with Associated Companies and a Fair Profit Therefrom

	1923	1924	1925	1926	1927	1928	1929	1930	1931	Total 1923–1931 inclusive
ompanies and Bell Tele-	$24,309,368	$26,784,492	$30,197,214	$29,850,303	$32,454,652	$17,622,365	$14,455,588	$15,025,890	$14,718,361	$205,418,233
es (Exhibit A-170) less rtment (American Com-	20,596,272	23,481,754	26,556,167	27,530,643	28,286,823	20,368,791	21,438,847	26,250,577	25,340,405	219,850,279
	3,713,096	3,302,738	3,641,047	2,319,660	4,167,829	2,746,426*	6,983,259*	11,224,687*	10,622,044*	14,432,046*
epartment of American tual disbursements for	76,716	96,825	117,091	134,955						425,587
A-) less costs already t A-170)	2,332,636	2,719,135	2,957,830	2,871,368	2,454,998					13,335,967
	$2,409,352	$2,815,960	$3,074,921	$3,006,323	$2,454,998					$13,761,554
ns shown above	$1,303,744	$486,778	$566,126	$686,663*	$1,712,831	$2,746,426*	$6,983,259*	$11,224,687*	$10,622,044*	$28,193,600*

n Connection with Above "Net Balance" (Item E):

pany to Associated Companies under guarantee to protect and save harmless these companies from all actions and suits charging infringement of patents ct). During the period 1923—1931, inclusive, the American Company transferred from its Surplus to a "Reserve for Contingencies" the amounts here shown ng $30,395,800. A controlling purpose in creating this Reserve was to provide financial protection against this infringement liability.

1923	1924	1925	1926	1927	1928	1929	1930	1931	Total
$3,000,000	$3,000,000	$6,000,000	$4,000,000	$3,000,000*	$3,000,000*	$3,000,000*	$3,000,000*	$2,395,800*	$30,395,800

* Portion of total amount of $14,395,800 credited to "Reserve for Contingencies" in 1927.

sociated Companies of rights under General Electric Co. and Radio Corp. of America patents by surrender of rights in radio field worth upwards of $10,000,000. Jewett, pages 2107-2122, inclusive, of Transcript.)

ield a fair return, plus profit, on the value of all property used in rendering license contract services, including value of the Development and Research and organisations of the Company, less costs already included in Exhibit A-167 and Item D(2) above.

ng "Average cost of funds used in the business" these average costs give effect to the inclusion with capital funds paid into the business all Surplus of the iated or unappropriated, on the basis of no capital charge cost to the Company. This method of procedure has reduced materially the percentage rate for hat rate was used in determining costs.

fol. 13806]

EXHIBIT A-199

American Telephone and Telegraph Company

Statement of (a) License Contract Revenues and (b) Costs Incurred in Rendering License Contract Services; also Additional Items which Should be Considered on the Assumption that American Telephone and Telegraph Company may not Obtain any Profit from its Relations with Associated Companies and that Sums which it may Charge to Them for Services are Restricted to the Cost Thereof, but Where the American Company Furnishes Property in Connection with Such Services it is also Entitled to a Fair Return upon the Value Thereof.

	1923	1924	1925	1926	1927	1928	1929	1930	1931	Total 1923–1931 inclusive
A. License Contract Revenues received from Associated Companies and Bell Telephone Company of Canada	$24,309,368	$26,784,492	$30,197,214	$29,850,303	$32,454,652	$17,622,365	$14,455,588	$15,025,890	$14,718,361	$205,418,233
B. Costs Incurred in Rendering License Contract Services (Exhibit A-170) less amounts which have been allocated to Long Lines Department (American Company)	20,596,272	23,481,754	26,556,167	27,530,643	28,286,823	20,368,791	21,438,847	26,250,577	25,340,405	219,850,279
C. (A) less (B) above	3,713,096	3,302,738	3,641,047	2,319,660	4,167,829	2,746,426*	6,983,259*	11,224,687*	10,622,044*	14,432,046*
D. Deduct additional amounts as follows:										
(1) Amount by which Pension Accruals for General Department of American Company during 1923–1926, inclusive, exceed actual disbursements for Pensions (Exhibits A-178 and A-177)	76,716	96,825	117,091	134,955	.....	.....	.....	.....	.....	425,587
(2) Fair allowance for telephone instruments (Exhibit A-) less costs already included in Item B above (the costs shown on Exhibit A-170)	2,332,636	2,719,135	2,957,830	2,871,368	2,454,998	.....	.....	.....	.....	13,335,967
Total	2,409,352	2,815,960	3,074,921	3,006,323	2,454,998	.....	.....	.....	.....	13,761,554
E. Net Balance—License Revenues less Costs and Deductions shown above	$1,303,744	$486,778	$566,126	$686,663*	$1,712,831	$2,746,426*	$6,983,259*	$11,224,687*	$10,622,044*	$28,193,600*

(Each of the seven lines above is identical with the Lines A to E on Sheet 1)

Additional Items to be Considered in Connection with Above "Net Balance" (Item E):

(a) Liability of American Company to Associated Companies under guarantee to protect and save harmless these companies from all actions and suits charging infringement of patents (Section 2—License Contract). During the period 1923–1931, inclusive, the American Company transferred from its Surplus to a "Reserve for Contingencies" the amounts here shown against this item aggregating $30,395,800. A controlling purpose in creating this Reserve was to provide financial protection against this infringement liability.

1923	1924	1925	1926	1927	1928	1929	1930	1931	Total
$3,000,000	$3,000,000	$6,000,000	$4,000,000	$3,000,000*	$3,000,000*	$3,000,000*	$3,000,000*	$2,395,800*	$30,395,800

* Portion of total amount of $14,395,800 credited to "Reserve for Contingencies" in 1927.

(Same as on Sheet 1)

(b) Fair return and amortization charges upon the value of approximately 11,000 patents and patent rights, including patent acquired from General Electric Company and Radio Corporation of America at cost of over $10,000,000 for benefit of Associated Companies, and other patents acquired by purchase at cost of over $6,200,000 together with patents taken out by employees less amounts included in Exhibit A-160 for patents purchased and enumerated at pages 2661–2667 of minutes.

(c) An allowance equal to the difference between a fair return and the amount computed by using "Average cost of funds used in business" (ranging from 6.25 per cent to 6.93 per cent during period—Exhibit A-164) on the following items of property of the American Company used in the telephone business of the Bell System:

1. Working capital (measured by the average amount of funds held available for the use of the business (Exhibit A-169) ranging from about $70,000,000 to $300,000,000 per annum throughout period, 1923–1931, inclusive).
2. Physical Property of the General Department of the American Company used in the business (Exhibit A-170) ranging from about $1,000,000 to $12,000,000 per annum throughout period, 1923–1931, inclusive.

(d) In all computations involving "Average cost of funds used in the business" these average costs give effect to the inclusion with capital funds paid into the business all Surplus of the Company, whether appropriated or unappropriated, on the basis of no capital charge cost to the Company. This method of procedure has reduced materially the percentage rate for "cost of funds" wherever that rate was used in determining costs. (Same as on Sheet 1).

(e) It may be pertinent to consider deductions from the above "Net Balance" (Item E) for:

	1923	1924	1925	1926	1927	1928	1929	1930	1931	Total
1. Cost (net) of "Temporary Financing" the annual amounts included in Exhibit A-170 for the period 1923–1931, inclusive, no part of which was allocated to Chicago Area in Exhibit A-170, are as follows	$1,535,913	$2,260,603	$2,606,279	$2,095,365	$1,839,609	$1,051,430	$2,452,536	$1,137,450	$1,709,528	$16,688,713
2. A reasonable portion only of the royalties received by the American Company for the use of its patents in "non-telephone" fields. The total of all royalties and license fees received by the Company annually during the period 1923–1931, inclusive, are as follows	$97,477	$113,536	$212,516	$260,981	$540,427	$505,893	$1,233,101	$1,129,655	$1,135,555	$5,229,141

* Red figures.

[Docket No. 13906]

EXHIBIT A-200-B

American Telephone and Telegraph Company

Statement of (a) License Contract Revenues from Ohio Bell Telephone Company and (b) Costs Incurred in Rendering License Contract Services to That Company. Also Additional Items Which Should Be Considered on the Assumption that American Telephone and Telegraph Company Is a Contracting Party Entitled to Make a Fair Contract with Associated Companies and a Fair Profit Therefrom

	1923	1924	1925	1926	1927	1928	1929	1930	1931	Total 1923–1931 inclusive
A. License Contract Revenues received from Ohio Bell Telephone Company	$984,645	$1,091,629	$1,274,052	$1,277,944	$1,402,144	$752,524	$626,184	$638,043	$619,171	$8,666,336
B. Costs Incurred in Rendering License Contract Services to Ohio Bell Tel. Co. (Exhibit A-170—Chicago Record)	811,711	857,293	968,833	1,067,068	1,100,989	822,394	815,380	1,092,045	972,678	8,508,391
C. (A) less (B) above	172,934	234,336	305,219	210,876	301,155	69,870†	189,196†	454,002†	353,507†	157,945
D. Deduct additional amounts as follows:										
(1) Portion allocated to Ohio Bell Tel. Co. of amount by which Pension Accruals for General Department of American Company during 1923–1926, inclusive, exceed actual disbursements for Pensions (Exhibits A-178 and A-177—Chicago Record)	3,529	4,357	5,035	5,668	.....	.....	.....	.....	.....	18,589
(2) Fair allowance for telephone instruments furnished to Ohio Bell Tel. Co. (Exhibit A-163—Chicago Record) less costs already included in Item B above (the costs shown on Exhibit A-170—Chicago Record)	84,313	96,839	106,980	106,881	101,979	.....	.....	.....	.....	496,992
Total	87,842	101,196	112,015	112,549	101,979	.....	.....	.....	.....	515,581
E. Net Balance—License Revenues less Costs and Deductions shown above—Ohio Bell Tel. Co.	$85,092	$133,140	$193,204	$98,327	$199,176	$69,870†	$189,196†	$454,002†	$353,507†	$357,636†

Additional Items to Be Considered in Connection with Above "Net Balance" (Item E):

NOTE.—The Ohio Bell Tel. Co. constitutes approximately 4% of the Bell System and allowances made in respect of these items should be allocated accordingly.

(a) Liability of American Company to Associated Companies under guarantee to protect and save harmless these companies from all actions and suits charging infringement of patents (Section 2—License Contract). During the period 1923–1931, inclusive, the American Company transferred from its Surplus to a "Reserve for Contingencies" the amounts here shown against this item aggregating $30,395,800. A controlling purpose in creating this Reserve was to provide financial protection against this infringement liability.

1923	1924	1925	1926	1927	1928	1929	1930	1931	Total
$3,000,000	$3,000,000	$6,000,000	$4,000,000	$3,000,000*	$3,000,000*	$3,000,000*	3,000,000*	$2,395,800*	$30,395,800

* Portion of total amount of $14,395,800 credited to "Reserve for Contingencies" in 1927.

(b) Acquisition for benefit of Associated Companies of rights under General Electric Co. and Radio Corp. of America patents by surrender of rights in radio field worth upwards of $10,000,000. (See testimony of Dr. F. B. Jewett, pages 2107–2122, inclusive, of minutes.)

(c) An allowance sufficient to yield a fair return, plus profit, on the value of all property used in rendering license contract services including value of the Development and Research and other General Department organizations of the Company, less costs already included in Exhibit A-167 (Chicago Record) and Item D(2) above.

(d) In all computations involving "Average cost of funds used in the business" these average costs give effect to the inclusion with capital funds paid into the business all Surplus of the Company, whether appropriated or unappropriated, on the basis of no capital charge cost to the Company. This method of procedure has reduced materially the percentage rate for "cost of funds" wherever that rate was used in determining costs.

[† Red in copy.]

EXHIBIT A-201-B

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF (a) LICENSE CONTRACT REVENUES FROM OHIO BELL TELEPHONE COMPANY AND (b) COSTS INCURRED IN RENDERING LICENSE CONTRACT SERVICES TO THAT COMPANY

ALSO ADDITIONAL ITEMS WHICH SHOULD BE CONSIDERED IN THE ASCERTAINMENT THAT AMERICAN TELEPHONE AND TELEGRAPH COMPANY MAY NOT OBTAIN ANY PROFIT FROM ITS RELATIONS WITH ASSOCIATED COMPANIES AND THAT DUES WHICH IT MAY CHARGE TO THEM FOR SERVICES ARE CONFINED TO THE COST THEREOF, BUT WHERE THE AMERICAN COMPANY FURNISHES PROPERTY IN CONNECTION WITH SUCH SERVICE IT IS ALSO ENTITLED TO A FAIR RETURN UPON THE VALUE THEREOF

	1923	1924	1925	1926	1927	1928	1929	1930	1931	Total 1923 - 1931, Inclusive
A. License Contract Revenues received from Ohio Bell Telephone Company	$884,645	$1,091,629	$1,274,052	$1,377,944	$1,402,144	$752,536	$626,184	$ 636,043	$619,171	$ 8,666,336
B. Costs Incurred in Rendering License Contract Services to Ohio Bell Telephone Company (Exhibit A-170 - Chicago Record)	811,711	857,293	968,833	1,067,068	1,100,989	822,394	815,380	1,092,048	972,678	8,508,391
C. (A) less (B) above	172,934	234,336	305,219	210,876	301,155	[redacted]				157,945
D. Deduct additional amounts as follows:										
(1) Portion allocated to Ohio Bell Telephone Company of amount by which Pension Accruals for General Department of American Company during 1923 - 1926, inclusive, exceed actual disbursements for Pensions (Exhibits A-178 and A-177 - Chicago Record)	3,529	4,357	5,035	5,668	-	-	-	-	-	18,589
(2) Fair allowance for telephone instruments furnished Ohio Bell Telephone Company (Exhibit A-165 - Chicago Record) less costs already included in Item B above (the costs shown on Exhibit A-170 - Chicago Record)	84,313	96,839	106,980	106,881	101,979	-	-	-	-	496,992
Total	87,842	101,196	112,015	112,549	101,979	-	-	-	-	515,581
E. Net Balance - License Revenues less Costs and Deductions shown above - Ohio Bell Telephone Company	$ 85,092	$ 133,140	$ 193,204	$ 98,327	$ 199,176					

(Each of the seven lines above is identical with the lines A to E on A-200 - Chicago Record.)

ADDITIONAL ITEMS TO BE CONSIDERED IN CONNECTION WITH ABOVE "NET BALANCE" (ITEM E):

Note: The Ohio Bell Telephone Company constitutes approximately 6% of the Bell System and allowances made in respect of these items should be allocated accordingly.

(a) Liability of American Company to Associated Companies under guarantee to protect and save harmless these companies from all actions and suits charging infringement of patents (Section 2 - License Contract). During the period 1923 - 1931, inclusive, the American Company transferred from its Surplus to a "Reserve for Contingencies" the amounts here shown against this item aggregating $30,395,800. A controlling purpose in creating this Reserve was to provide financial protection against this infringement liability.

1923	1924	1925	1926	1927	1928	1929	1930	1931	Total
$3,000,000	$3,000,000	$6,000,000	$4,000,000	$3,000,000*	$3,000,000*	$3,000,000*	$3,000,000*	$1,395,800*	$30,395,800

* Portion of total amount of $14,395,800 credited to "Reserve for Contingencies" in 1927. Same as on A-200 - Chicago Record.

(b) Fair return and amortization charges upon the value of approximately 11,000 patents and patent rights, including patents acquired from General Electric Company and Radio Corporation of America at cost of over $10,000,000 for benefit of Associated Companies, and other patents acquired by purchase at cost of over $5,300,000 together with patents taken out by employees, less amounts included in (Exhibit A-160 - Chicago Record) for patents purchased and enumerated at pages 3641 - 3647 of minutes.

(c) An allowance equal to the difference between a fair return and the amount computed by using "average cost of funds used in business" (ranging from 6.25 per cent to [redacted] per cent during period - Exhibit A-164 - Chicago Record) on the [redacted]

	1923	1924	1925	1926	1927	1928	1929	1930	1931	Total 1923 - 1931, Inclusive
A. License Contract Revenues received from Ohio Bell Telephone Company	$884,645	$1,091,629	$1,274,052	$1,277,944	$1,402,144	$752,534	$626,184	$ 636,043	$619,171	$ 8,666,336
B. Costs Incurred in Rendering License Contract Services to Ohio Bell Telephone Company (Exhibit A-170 - Chicago Record)	811,711	857,293	968,833	1,067,068	1,100,989	822,394	815,380	1,092,048	972,678	8,508,391
C. (A) less (B) above	172,934	234,336	305,219	210,876	301,155					157,945
D. Deduct additional amounts as follows:										
(1) Portion allocated to Ohio Bell Telephone Company of amount by which Pension Accruals for General Department of American Company during 1923 - 1926, inclusive, exceed actual disbursements for Pensions (Exhibits A-178 and A-177 - Chicago Record)	3,529	4,357	5,035	5,668	-	-	-	-	-	18,589
(2) Fair allowance for telephone instruments furnished Ohio Bell Telephone Company (Exhibit A-165 - Chicago Record) less costs already included in Item B above (the costs shown on Exhibit A-170 - Chicago Record)	84,313	96,839	106,980	106,881	101,979	-	-	-	-	496,992
Total	87,842	101,196	112,015	112,549	101,979	-	-	-	-	515,581
E. Net Balance - License Revenues less Costs and Deductions shown above - Ohio Bell Telephone Company	$ 85,092	$ 133,140	$ 193,204	$ 98,327	$ 199,176					

(Each of the seven lines above is identical with the lines A to K on A-200 - Chicago Record.)

ADDITIONAL ITEMS TO BE CONSIDERED IN CONNECTION WITH ABOVE "NET BALANCE" (ITEM E):

Note: The Ohio Bell Telephone Company constitutes approximately 4% of the Bell System and allowances made in respect of these items should be allocated accordingly.

(a) Liability of American Company to Associated Companies under guarantee to protect and save harmless these companies from all actions and suits charging infringement of patents (Section 2 - License Contract). During the period 1923 - 1931, inclusive, the American Company transferred from its Surplus to a "Reserve for Contingencies" the amounts here shown against this item aggregating $30,395,800. A controlling purpose in creating this Reserve was to provide financial protection against this infringement liability.

1923	1924	1925	1926	1927	1928	1929	1930	1931	Total
$3,000,000	$3,000,000	$6,000,000	$4,000,000	$3,000,000*	$3,000,000*	$3,000,000*	$3,000,000*	$1,395,800*	$30,395,800

* Portion of total amount of $14,395,800 credited to "Reserve for Contingencies" in 1927. Same as on A-200 - Chicago Record.

(b) Fair return and amortization charges upon the value of approximately 11,000 patents and patent rights, including patents acquired from General Electric Company and Radio Corporation of America at cost of over $10,000,000 for benefit of Associated Companies, and other patents acquired by purchase at cost of over $8,200,000 together with patents taken out by employees, less amounts included in (Exhibit A-160 - Chicago Record) for patents purchased and enumerated at pages 2661 - 2667 of minutes.

(c) An allowance equal to the difference between a fair return and the amount computed by using "Average cost of funds used in business" (ranging from 6.25 per cent to 6.93 per cent during period - Exhibit A-164 - Chicago Record) on the following items of property of the American Company used in the telephone business of the Bell System:

1. Working capital (measured by the average amount of funds held available for the use of the business (Exhibit A-169 - Chicago Record) ranging from about $70,000,000 to $300,000,000 per annum throughout period, 1923 - 1931, inclusive.)

2. Physical Property of the General Department of the American Company used in the business (Exhibit A-170 - Chicago Record) ranging about $1,000,000 to $12,000,000 per annum throughout period, 1923 - 1931, inclusive.

(d) In all computations involving "Average cost of funds used in the business" these average costs give effect to the inclusion with capital funds paid into the business all Surplus of the Company, whether appropriated or unappropriated, on the basis of no capital charge cost to the Company. This method of procedure has reduced materially the percentage rate for "cost of funds" wherever that rate was used in determining costs. (Same as on A-200 - Chicago Record.)

(e) It may be pertinent to consider deductions from the above "Net Balance" (Item E) for:

	1923	1924	1925	1926	1927	1928	1929	1930	1931	Total
1. A reasonable portion only of the royalties received by the American Company for the use of its patents in "non-telephone" fields. The total of all royalties and license fees received by the Company annually during the period 1923 - 1931, inclusive are as follows	$87,477	$113,336	$212,516	$260,981	$540,437	$505,893	$1,233,101	$1,129,655	$1,135,555	$5,229,141

[Nos. 12066-12940]

EXHIBIT A-202

American Telephone and Telegraph Company

Instrument Credit—Bell System

	1923	1924	1925	1926	1927
1. Average Current Cost	$36,712,948	$42,095,239	$46,392,461	$48,421,792	$46,987,162
2. Actual Depreciation (8% of Item 1)	2,937,036	3,367,619	3,711,397	3,873,743	3,754,973
3. Current Cost less 8% Depreciation (Item 1 less Item 2)	33,775,912	38,727,620	42,681,064	44,548,049	43,182,189
4. Depreciation Expense—7% of Current Cost (Item 1)	2,569,906	2,946,667	3,247,472	3,389,525	3,285,601
5. Return on Current Cost less 8% Depreciation (8% of Item 3)	2,702,073	3,098,210	3,414,485	3,563,844	3,454,575
6. Total, Items 4 and 5	5,271,979	6,044,877	6,661,957	6,953,369	6,740,176
7. Margin for Additional Instruments (6% of Item 6)	316,319	362,693	399,717	417,202	404,411
8. Instrument Repairs	1,086,422	1,328,873	1,613,737	2,033,810	2,066,815
9. Total, Items 6, 7 and 8	6,674,720	7,736,443	8,675,411	9,404,381	9,211,402

[fol. 13941]

EXHIBIT A-227

Western Electric Company, Incorporated

General Accounting Department

Analysis of Profits on Business Other than with Bell Telephone Companies 1881 to 1927 Inclusive

1. Interest and Dividends received on Foreign Business 1881 to 1925, Inclusive		$24,563,000
2. Profit on Sale of International Western Electric Company, Incorporated at September 30, 1925		6,586,000
3. Net Profit on Sales to Foreign Customers for Export 1881 to 1927, Inclusive		4,367,000
4. Net Profits on Sales to Other Domestic Customers 1881 to 1925, Inclusive, and to the Graybar Electric Company, Inc., during 1926 and 1927		18,885,000
5. Royalties received on Vitaphone, Permalloy, Phonograph and Submarine Cable Business from 1914 to 1926, Inclusive	$2,127,000	
Less Specific Development and General Expenses Applicable to this Business	4,666,000	(2,539,000)
6. Net Profit on Sales of Vitaphone, Permalloy and Phonograph Equipment during 1926 and 1927		591,000
7. Income during 1926 from Investment of Profits from Foreign and Domestic Business other than with Bell Telephone Companies		1,107,000
8. Revaluation to Increase the Stock of the Electrical Research Products, Inc., on Books of Western Electric Company, Incorporated, due to:		
(a) The Electrical Research Products Inc., writing up value of Stock of its Subsidiary Companies (Northern Electric Company and Graybar Electric Company, Inc.) from Cost to Book Value	$4,680,000	
(b) Undistributed Current Earnings of Electrical Research Products Inc., the year 1927	5,258,000(U)	9,938,000
Total		63,498,000

R Includes special dividend received in 1925 amounting to $9,700,000.

S After providing for Pension Liability to employees of International Electric Company, Incorporated and Graybar Electric Company.

U Actual earnings for 1927, $5,504,000.

V Reclassified.

Manufacturing Profits	$10,468
Other	53,030
	63,498

(Here follows 1 paster, Exhibit A-228, folio 13942)

[Vol. 13942]

EXHIBIT A-228

Analysis of Profits on Business Other Than With Bell Telephone Companies from 1881 to 1927, Inclusive

(Dollars in Thousands)

	a	b	c	d	e	f	g	h	i
	Interest and Dividends Received on Foreign Business 1881 to 1925	Profit on Sale of International Western Electric Company, Inc., at Sept. 30, 1925	Ner Profit on Sales to Foreign Customers for Export 1881 to 1927 Inclusive	Net Profit on Sales to Other Domestic Customers 1881 to 1925 Inclusive and to Graybar Electric Company, Inc. during 1926 and 1927	Royalties Received on Vitaphone, Permalloy Phonograph and Submarine Cable Business from 1914 to 1926 Inclusive	Specific Development and General Expense Applicable to Vitaphone, Permalloy, Phonograph and Submarine Cable Business	Net Profit on Sales of Vitaphone, Permalloy and Phonograph Equipment during 1926 and 1927	Income during 1926 from Investment of Profits from Foreign and Domestic Business other than with Bell Telephone Companies	Revaluation Increase the Sto of the Electric Research Produ Inc. on Book of Western Elec Co., Inc. Due to Electrical Reses Products Inc Writing Up Valu Stock of Its Su sidiary Compa (Northern Electric Co., L and Graybar Electric Co., I from Cost to Book Val
July 1, 1881 to Nov. 30, 1890	$229	.....	$118	$370	.....	.....	.....	.....	.....
1891 to 1895	612	.....	147	428	.....	.....	.....	.....	.....
1896 to 1900	532	.....	363	(146)	.....	.....	.....	.....	.....
1901 to 1905	1,566	.....	439	(1,401)	.....	.....	.....	.....	.....
1906	724	.....	118	(196)	.....	.....	.....	.....	.....
1907	548	.....	86	(73)	.....	.....	.....	.....	.....
1908	767	.....	3	(816)	.....	.....	.....	.....	.....
1909	537	.....	60	(215)	.....	.....	.....	.....	.....
1910	724	.....	81	52	.....	.....	.....	.....	.....
1911	(181)	.....	64	(80)	.....	.....	.....	.....	.....
1912	53	.....	92	534	.....	.....	.....	.....	.....
1913	(164)	.....	103	874	.....	.....	.....	.....	.....
1914	111	.....	13	84	.....	.....	.....	.....	.....
1915	141	.....	77	404	.....	.....	.....	.....	.....
1916	607	.....	(16)	1,371	.....	.....	.....	.....	.....
1917	1,006	.....	288	3,053	.....	30	.....	.....	.....
1918	126	.....	153	3,437	.....	31	.....	.....	.....
1919	47	.....	215	2,491	.....	65	.....	.....	.....
1920	832	.....	(163)	2,588	.....	126	.....	.....	.....
1921	1,721	.....	403	(3,067)	.....	225	.....	.....	.....
1922	1,613	.....	269	1,403	.....	469	.....	.....	.....
1923	957	.....	289	2,634	.....	537	.....	.....	.....
1924	1,261	.....	174	2,196	.....	702	.....	.....	.....
1925	10,194	6,255	158	1,020	291	1,160	.....	.....	.....
1926	.....	.....	393	934	1,836	1,321	367	1,107	.....
1927	.....	331	440	1,006	.....	.....	224	.....	4,680
	24,563	6,586	4,367	18,885	2,127	4,666	591	1,107	4,680

EXHIBIT A-228

Analysis of Profits on Business Other Than With Bell Telephone Companies from 1881 to 1927, Inclusive

(Dollars in Thousands)

b	c	d	e	f	g	h	i	j	k	
on Sale rnational n Electric y, Inc., at 30, 1925	Ner Profit on Sales to Foreign Customers for Export 1881 to 1927 Inclusive	Net Profit on Sales to Other Domestic Customers 1881 to 1925 Inclusive and to Graybar Electric Company, Inc. during 1926 and 1927	Royalties Received on Vitaphone, Permalloy Phonograph and Submarine Cable Business from 1914 to 1926 Inclusive	Specific Development and General Expense Applicable to Vitaphone, Permalloy, Phonograph and Submarine Cable Business	Net Profit on Sales of Vitaphone, Permalloy and Phonograph Equipment during 1926 and 1927	Income during 1926 from Investment of Profits from Foreign and Domestic Business other than with Bell Telephone Companies	Revaluation to Increase the Stock of the Electrical Research Products Inc. on Books of Western Electric Co., Inc. Due to the Electrical Research Products Inc. Writing Up Value of Stock of Its Subsidiary Companies (Northern Electric Co., Ltd. and Graybar Electric Co., Inc.) from Cost to Book Value	Revaluation to Increase the Stock of the Electrical Research Products Inc. on Books of Western Electric Co., Inc. Due to Undistributed Current Earnings of Electrical Research Products Inc. for the Year 1927	Total (a to e) −f+(g to j)	
....	$118	$370	.....	.....	.....	.....	.....	.....	$717	1
....	147	428	.....	.....	.....	.....	.....	.....	1,187	2
....	363	(146)	.....	.....	.....	.....	.....	.....	749	3
....	439	(1,401)	.....	.....	.....	.....	.....	.....	604	4
....	118	(196)	.....	.....	.....	.....	.....	.....	646	5
....	86	(73)	.....	.....	.....	.....	.....	.....	561	6
....	3	(816)	.....	.....	.....	.....	.....	.....	(46)	7
....	60	(215)	.....	.....	.....	.....	.....	.....	382	8
....	81	52	.....	.....	.....	.....	.....	.....	857	9
....	64	(80)	.....	.....	.....	.....	.....	.....	(197)	10
....	92	534	.....	.....	.....	.....	.....	.....	679	11
....	103	874	.....	.....	.....	.....	.....	.....	813	12
....	13	84	.....	.....	.....	.....	.....	.....	208	13
....	77	404	.....	.....	.....	.....	.....	.....	662	14
....	(16)	1,371	.....	.....	.....	.....	.....	.....	1,962	15
....	288	3,053	.....	30	.....	.....	.....	.....	4,317	16
....	153	3,437	.....	31	.....	.....	.....	.....	3,685	17
....	215	2,491	.....	65	.....	.....	.....	.....	2,688	18
....	(163)	2,588	.....	126	.....	.....	.....	.....	3,131	19
....	403	(3,067)	.....	225	.....	.....	.....	.....	(1,168)	20
....	269	1,403	.....	469	.....	.....	.....	.....	2,816	21
....	289	2,634	.....	537	.....	.....	.....	.....	3,343	22
....	174	2,196	.....	702	.....	.....	.....	.....	2,929	23
255	158	1,020	291	1,160	.....	.....	.....	.....	16,758	24
....	393	934	1,836	1,321	367	1,107	.....	.....	3,316	25
331	440	1,006	.....	.....	224	.....	4,680	5,258	11,939	26
586	4,367	18,885	2,127	4,666	591	1,107	4,680	5,258	63,498	27

Other Than With Bell Customers. (See Statement 1.)
(Expressed in Thousands of Dollars)

Years	a Total	b Net Profits on Sales to Other Domestic Customers (Including Government) (R)	c Net Profits on Sales to Foreign Customers for Export (R)	d Interest & Dividends and Other Income Received on Investment in Foreign Business (R)	e Miscellaneous Foreign Customers	f Miscellaneous Other Domestic Customers	
July 1, 1881 to November 30, 1890	$717	$370	$118	$229	$.....	$.....	1
1891 to 1895	1,187	428	147	612	.....	.....	2
1896 to 1900	749	(146)	363	532	.....	.....	3
1901 to 1905	604	(1,401)	439	1,566	.....	.....	4
1906	646	(196)	118	724	.....	.....	5
1907	561	(73)	86	548	.....	.....	6
1908	(46)	(816)	3	767	.....	.....	7
1909	382	(215)	60	537	.....	.....	8
1910	857	52	81	724	.....	.....	9
1911	(197)	(80)	64	(181)	.....	.....	10
1912	679	534	92	53	.....	.....	11
1913	813	874	103	(164)	.....	.....	12
1914	208	84	13	111	.....	.....	13
1915	622	404	77	141	.....	.....	14
1916	1,962	1,371	(16)	607	.....	.....	15
1917	4,347	3,053	288	1,006	.....	.....	16
1918	3,716	3,437	153	126	.....	.....	17
1919	2,753	2,491	215	47	.....	.....	18
1920	3,257	2,588	(163)	832	.....	.....	19
1921	(943)	(3,067)	403	1,721	.....	.....	20
1922	3,285	1,403	269	1,613	.....	.....	21
1923	3,880	2,634	289	957	.....	.....	22
1924	3,631	2,196	174	1,261	.....	.....	23
1925	16,481	(126)	158	10,194 (U)	6,255 (X)	.....	24
1926	1,588	934	393	261 (V)	.....	.....	25
1927	11,759	634	440	3,194 (W)	331 (Y)	7,160 (Z)	26
	63,498 (S)	17,367	4,367	28,018	6,586	7,160	27

EXHIBIT A-229—Continued

[fol. 13944]

R Information compiled from Historical Charts 1881 to 1925; for years 1926 and 1927, from annual reports.

S Reclassified as follows:

	Total	Other Domestic Business	Foreign Business
Manufacturing Profits	$10,468	$6,101	$4,367
Other Income	53,030	18,426	34,604
	63,498	24,527	38,971

U Includes special dividend received from International Western Electric Company, Incorporated, from undistributed earnings at September 30, 1925 amounting to $9,700.

V Dividend received from Northern Electric Company.

W Analysed as follows:

Revaluation of Northern Electric Company Stock at December 31, 1927	$2,880
Settlement of A. F. Adams Account	29
Other	285
	3,194

X Profit from sale of International Western Electric Company, Incorporated after deducting Federal Income Tax and setting aside reserve for Pension Fund in agreement with International Standard Electric Company.

Y Excess in Pension Fund Reserve for International Western Electric Company, Incorporated set up in 1925 and credited to Western Electric Company, Incorporated surplus in 1927.

Z Analysed as follows:

Revaluation of Graybar Electric Company, Inc. at December 31, 1927	$1,800
Excess in Pension Fund Reserve for Graybar Electric Company, Inc. credited to Western Electric Company, Incorporated surplus in 1927	372
Net Profits on sales of Vitaphone, Permalloy and Phonograph	367
Net Profits in 1927 on business with Electrical Research Products Inc	224
Interest received on investments in Government Securities	201
Interest received on certificates of deposits	300
Interest received on investment in Kansas City Telephone Company Bonds	236
Interest received on investment in Pacific Telephone and Telegraph Company Notes	149

Portion of 1927 earnings of Electrical Research Products Inc. taken into Western Electric Company, Incorpo-

Development expense on special commercial products		
Interest received on Graybar Electric Company, Inc. Notes	1,146	
Royalties received on Vitaphone, Phonograph, etc	40	
	1,836	
	11,929	
Less:		
Specific Development Expense		
General Expense and Federal Taxes applicable to royalties and income from investments.	1,001	
General Expense		
Federal Tax	320	
Specific Development Expense Applicable to.	109	
Vitaphone, phonograph permalloy and submarine cable 1914 to 1925 less royalties received	3,054	
Other	285	
	4,769	
Net Total		$7,160

8949

[fol. 13946]

EXHIBIT A-230

Electrical Research Products Inc.

General Auditing Department.

Monthly Report No. 1

Condensed Summary of Results for Years 1927 to 1930, Inclusive

(Dollars in Thousands)

	a	b	c	d	
Assets and Liabilities	Dec. 31, 1930	Dec. 31, 1929	Dec. 31, 1928	Dec. 31, 1927	
1. Plant	$854	$690	$203	$45	1
2. Investments	10,170	19,675	10,597	12,761	2
3. Merchandise	6,992	6,941	4,501	1,203	3
4. Deferred Receivables		3,805	4,729	3,000	4
5. Notes Receivable	1,069	18,701	2,720	1,082	5
6. Accounts Receivable	9,336	13,661	8,609	502	6
7. Cash	1,168	1,176	278	337	7
8. Total Assets	29,589	64,749	31,637	18,930	8
9. Capital (750,000 Shares no Par)	5,000	5,000	5,000	1,000	9
10. Current Liabilities—Western Electric Co., Inc	940	3,256	3,804	317	10
11. Other	1,161	1,818	4,168	886	11
12. Notes Payable—Western Electric Co., Inc	11,200	43,200	12,800	14,200	12
13. Pension Fund Trustee	458	238	76	8	13
14. Notes Receivable Discounted		1,500			14
15. Reserves for Depreciation of Plant	838	519	107	18	15
16. Depreciation on Receivables	1,891	2,176	1,760	1,000	16
17. Contingencies	2,819	1,771			17
18. Employees' Benefit Fund				5	18
19. Surplus and Undivided Profits	5,282	5,271	3,922	1,496	19
20. Total Liabilities	29,589	64,749	31,637	18,930	20

	e	f	g	h	
	1930	1929	1928	1927	
21. Operating Revenue	$28,438	$46,523	$17,257	$3,695	21
22. Profits from Operations	8,543	14,385	6,796	1,534	22
23. Profits from Investments	5,142	2,011	4,279	6,282	23
24. Total Gross Income	13,685	16,396	11,075	7,816	24
25. General Expense	5,785	3,549	1,488	571	25
26. Engineering Expense	1,871	3,050	1,366	880	26
27. Reserves	0	640	325	767	27
28. Federal Taxes	0	678	358	94	28
29. Total Expenses	7,656	7,917	3,537	2,312	29
30. Net Earnings Available for Interest and Dividends	6,029	8,479	7,538	5,504	30
31. Interest Deductions	1,518	1,880	674	0	31
32. Net Income Available for Dividends	4,511	6,599	6,864	5,504	32

[fol. 18947] Exhibit A-230—Continued

Assets and Liabilities	e Dec. 31, 1930	f Dec. 31, 1929	g Dec. 31, 1928	h Dec. 31, 1927	
33. Dividends ($6.00 per Share 1930, $7.00 per Share 1929, $1.25 per Share 1928, $5.00 per Share 1927)	4,500	5,250	938	3,750(A)	33
34. Undivided Profits	11	1,349	5,926	1,754	34
35. Average Investment	37,319	45,309	19,293	43,868	35
36. % Return on Investment	16.2	18.7	39.1	12.6	36
37. Net Income per Share of Stock	$6.01	$8.80	$9.15	$7.34	37

Contingent Liabilities to:	1930	1929
Chatham & Phenix Bank—New York	$3,875,000	.....
National City Bank—New York	300,000	.....
First National Bank—Boston	44,000	.....
Bankers Trust Company—New York	.....	975,937
	4,219,000	975,937

(A) Excludes special dividend of $45,000,000.

[fol. 13948]

EXHIBIT A-231

Electrical Research Products Inc.

Statement of Loans by Western Electric Company, Incorporated to Electrical Research Products Inc.

Date of Borrowing	1927 Amount	Date of Repayment	1927 Amount	1928 Amount	1929 Amount	1930 Amount	Balance due at 12/31/30
12/31	$14,200,000	6/29		$500,000			
		8/23		400,000			
		12/31		3,000,000			
		10/ 1			$700,000		
		10/ 2			300,000		
		11/25			400,000		
		1/10				$800,000	
		5/12				400,000	
		5/31				7,700,000	
Total	$14,200,000			$3,900,000	$1,400,000	$8,900,000	
	1928						
8/11	$100,000	8/23		$100,000		$200,000	
9/11	200,000	5/31				300,000	
10/11	300,000	5/31				300,000	
11/30	300,000	5/31				500,000	
12/11	500,000	5/31				300,000	
12/22	300,000	5/31				900,000	
12/31	900,000						
Total	$2,600,000			$100,000		$2,500,000	

Date of Borrowing	1926 Amount	Date of Repayment	1927 Amount	1928 Amount	1929 Amount	1930 Amount	Balance due at 12/31/30
1/22	$500,000	5/31				$500,000	
1/31	1,000,000	5/31				1,000,000	
2/11	1,000,000	5/31				1,000,000	
2/23	400,000	5/31				400,000	
2/26	15,000,000	5/ 6				5,000,000	
		5/13				3,000,000	
		3/20				1,000,000	
		7/ 2				1,000,000	
2/28		9/23				5,000,000	
3/11	500,000	5/28				500,000	
3/22	600,000	7/31				600,000	
	900,000	7/31				400,000	
3/30		8/11				500,000	
4/30	300,000	7/24				300,000	
5/22	500,000	8/11				500,000	
5/31	700,000	5/31				700,000	
	600,000	9/ 5				500,000	
6/11		10/30				100,000	
	700,000	10/30				400,000	
6/22		11/11				300,000	
	600,000	11/22				500,000	
7/11		11/29				100,000	
7/22	700,000	11/29				200,000	$500,000
7/31	600,000						600,000
11/30	300,000						300,000
12/11	500,000						500,000
12/23	200,000						200,000
12/30	700,000						700,000
12/31	1,300,000						1,300,000
	4,200,000						4,200,000
Total	31,800,000					23,500,000	8,300,000

EXHIBIT A-231—Continued

[fol. 13950]

Date of Borrowing	1930 Amount	Date of Repayment	1927 Amount	1928 Amount	1929 Amount	1930 Amount	Balance due at 12/31/30
1/22	$500,000	....	.....	.....	.....	.....	$500,000
1/31	100,000	....	.....	.....	.....	.....	100,000
2/11	100,000	....	.....	.....	.....	.....	100,000
6/29	[illegible],000	....	.....	.....	.....	.....	300,000
9/30	[illegible],000	....	.....	.....	.....	.....	300,000
12/31	[illegible],000	....	.....	.....	.....	.....	1,600,000
Total	2,900,000	....	.....	.....	.....	.....	2,900,000
Grand Total	51,500,000	....	.....	$4,000,000	$1,400,000	$34,900,000	$11,200,000
Balance End of Year			$14,200,000	$12,800,000	$43,200,000	$11,200,000	.....

(Here follow 2 tables, side folios 13951, 13952)

EXHIBIT A-233

Sheet 1

Western Electric Company, Incorporated

Analysis of Capital Stock Structure Since Commencement of Business to December 31, 1930

Date of Issuance and December 31 of Each Year	Description of Changes Issuance of Capital Stock Structure	a	b	c	d	e	f	g	h	i	j	k	l	m	n	E
		Common Stock Issued					Preferred Stock Issued					Grand Total Number of Shares and Value at End of Each Year				
												Common Stock		Preferred Stock		
		No. of Shares	Par Value	For Cash	From Surplus	Book Value	No. of Shares	Par Value	For Cash	From Surplus	Book Value	No. of Shares	Book Value	No. of Shares	Book Value	
Feb. 25 to Mar. 13, 1882	Original Stock Issue	8,800	$100	$880,000	$	$880,000		$	$	$	$	8,800	$880,000		$	
July 20, 1883		1,200	100	120,000		120,000										
Dec. 31, 1883												10,000	1,000,000			
Dec. 31, 1884												10,000	1,000,000			
Dec. 31, 1885												10,000	1,000,000			
Dec. 31, 1886												10,000	1,000,000			
Dec. 31, 1887												10,000	1,000,000			
Dec. 31, 1888												10,000	1,000,000			
Dec. 31, 1889												10,000	1,000,000			
Jan. 28, 1890		1,250	100	125,000		125,000						10,000	1,000,000			
Nov. 5, 1890		5,000	100		500,000	500,000										
Nov. 26, 1890		1,250	100	125,000		125,000										
Dec. 31, 1890																
Dec. 31, 1891												17,500	1,750,000			
Dec. 31, 1892												17,500	1,750,000			
Dec. 31, 1893												17,500	1,750,000			1,
Dec. 27, 1894		2,500	100		250,000	250,000						17,500	1,750,000			1,
Dec. 31, 1894																
Apr. 15, 1896		10,000	100		1,000,000	1,000,000						20,000	2,000,000			1,
Dec. 31, 1896																
Dec. 31, 1897												30,000	3,000,000			1,
Dec. 31, 1898												30,000	3,000,000			1,
Dec. 31, 1898		5,000	100		500,000	500,000						30,000	3,000,000			2,
Apr. 25, 1899																
Aug. 30, 1899		15,000	100		1,500,000	1,500,000						35,000	3,500,000			3,
Dec. 31, 1899		10,000	100	1,000,000		1,000,000										
Jan. 1, 1900																
Dec. 31, 1900		10,000	100	1,000,000		1,000,000						60,000	6,000,000			3,
Jan. 1, 1901																
Dec. 31, 1901		10,000	100		1,000,000	1,000,000						70,000	7,000,000			7,
Dec. 10, 1902																
Dec. 31, 1902		20,000	100		2,000,000	2,000,000						80,000	8,000,000			8,
Dec. 10, 1903																
Dec. 31, 1903		20,000	100		2,000,000	2,000,000						100,000	10,000,000			9,
Dec. 31, 1904																
Dec. 31, 1905												120,000	12,000,000			9,
Dec. 31, 1906												120,000	12,000,000			10,
Dec. 31, 1908		30,000	100	3,000,000		3,000,000						120,000	12,000,000			15,
Dec. 31, 1907																
Dec. 31, 1908												150,000	15,000,000			20,
Dec. 31, 1909												150,000	15,000,000			18,
Dec. 31, 1910												150,000	15,000,000			16,
Dec. 31, 1911												150,000	15,000,000			17,
Dec. 31, 1912												150,000	15,000,000			19,
Dec. 31, 1913												150,000	15,000,000			20,
Dec. 31, 1914												150,000	15,000,000			21,
												150,000	15,000,000			22,
Nov. 18, 1915												150,000	15,000,000			24,
	Capital Stock Structure of the Western Electric Company, Incorporated of Illinois	150,000	100	6,250,000	8,750,000	15,000,000	0	0	0	0	0	150,000	15,000,000			24,
	Common Stock was retired and 6% Preferred Stock was issued in lieu thereof at par for share and	(150,000)	100	(6,250,000)	(8,750,000)	(15,000,000)	150,000	100	6,250,000	8,750,000	15,000,000					
	6% Preferred Stock Issued	150,000	No Par		(V)	(V)								150,000	15,000,000	

EXHIBIT A-233

Sheet 1

Western Electric Company, Incorporated

Analysis of Capital Stock Structure Since Commencement of Business to December 31, 1930

Description of Changes of Capital Stock Structure	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
	Common Stock Issued					Preferred Stock Issued					Grand Total Number of Shares and Value at End of Each Year						
											Common Stock		Preferred Stock				
	No. of Shares	Par Value	For Cash	From Surplus	Book Value	No. of Shares	Par Value	For Cash	From Surplus	Book Value	No. of Shares	Book Value	No. of Shares	Book Value	Balance in Surplus Account in Years When Used	Total Capital and Surplus End of Each Year	
...e	8,800	$100	$880,000	$	$880,000		$	$	$	$	8,800	$880,000		$	$68,009	$948,009	1
	1,200	100	120,000		120,000												2
											10,000	1,000,000			218,496	1,218,496	3
											10,000	1,000,000			288,202	1,288,202	4
											10,000	1,000,000			222,097	1,222,097	5
											10,000	1,000,000			347,878	1,347,878	6
											10,000	1,000,000			663,580	1,663,580	7
											10,000	1,000,000			832,563	1,832,563	8
	1,250	100	125,000		125,000						10,000	1,000,000			992,487	1,992,487	9
	5,000	100		500,000	500,000												10
	1,250	100	125,000		125,000												11
																	12
											17,500	1,750,000			804,287	2,554,287	13
											17,500	1,750,000			1,112,605	2,862,605	14
											17,500	1,750,000			1,503,535	3,253,535	15
	2,500	100		250,000	250,000						17,500	1,750,000			1,718,810	3,468,810	16
																	17
	10,000	100		1,000,000	1,000,000						20,000	2,000,000			1,765,813	3,765,813	18
																	19
											30,000	3,000,000			1,166,229	4,166,229	20
											30,000	3,000,000			1,657,108	4,657,108	21
	5,000	100		500,000	500,000						30,000	3,000,000			2,557,428	5,557,428	22
																	23
	15,000	100		1,500,000	1,500,000						35,000	3,500,000			3,082,537	6,582,537	24
	10,000	100	1,000,000		1,000,000												25
																	26
	10,000	100	1,000,000		1,000,000						60,000	6,000,000			3,967,430	9,967,430	27
																	28
	10,000	100		1,000,000	1,000,000						70,000	7,000,000			7,081,094	14,081,094	29
																	30
	20,000	100		2,000,000	2,000,000						80,000	8,000,000			8,211,334	16,211,334	31
																	32
	20,000	100		2,000,000	2,000,000						100,000	10,000,000			9,139,439	19,139,439	33
																	34
											120,000	12,000,000			9,005,737	21,005,737	35
											120,000	12,000,000			10,605,518	22,605,518	36
	30,000	100	3,000,000		3,000,000						120,000	12,000,000			15,016,857	27,016,857	37
																	38
											150,000	15,000,000			20,101,957	35,101,957	39
											150,000	15,000,000			18,781,311	33,781,311	40
											150,000	15,000,000			16,546,522	31,546,522	41
											150,000	15,000,000			17,436,786	32,436,786	42
											150,000	15,000,000			19,121,062	34,121,062	43
											150,000	15,000,000			20,101,354	35,101,354	44
											150,000	15,000,000			21,168,764	36,168,764	45
											150,000	15,000,000			22,840,459	37,840,459	46
											150,000	15,000,000			24,011,419	39,011,419	47
...cture of the Western Electric Company of Illinois	150,000	100	6,250,000	8,750,000	15,000,000	0	0	0	0	0	150,000	15,000,000			24,011,419	39,011,419	48
... retired and 6% Preferred Stock was ...are and	(150,000)	100	(6,250,000)	(8,750,000)	(15,000,000)	150,000	100	6,250,000	8,750,000	15,000,000			150,000	15,000,000			49
... Issued	150,000	No Par		(V)	(V)												50

EXHIBIT A-233—Continued

Sheet 2

Western Electric Company, Incorporated

Analysis of Capital Stock Structure Since Commencement of Business to December 31, 1930

Date of Issuance and December 31 of Each Year	Description of Changes Issuance of Capital Stock Structure	a	b	c	d	e	f	g	h	i	j	k	l	m	n
		Common Stock Issued					Preferred Stock Issued					Grand Total Number of Shares and Value at End of Each Year			
												Common Stock		Preferred Stock	
		No. of Shares	Par Value	For Cash	From Surplus	Book Value	No. of Shares	Par Value	For Cash	From Surplus	Book Value	No. of Shares	Book Value	No. of Shares	Book Value
Dec. 31, 1915	After the Sale of the Western Electric Company, Incorporated of Illinois to the Western Electric Company of New York the Capital Structure was	150,000	No Par	$	$ (V)	$ (V)	150,000	100	$6,250,000	$8,750,000	$15,000,000	150,000	$25,229,032	150,000	$15,000,00
Dec. 31, 1916												150,000	25,453,648	150,000	15,000,00
June 30, 1917	Issued 6% Preferred Stock						150,000	100	15,000,000		15,000,000				
Dec. 31, 1917												150,000	25,755,364	300,000	30,000,00
Dec. 31, 1918												150,000	25,965,685	300,000	30,000,00
Dec. 31, 1919												150,000	27,054,594	300,000	30,000,00
Mar. 9, 1920	Preferred Stock was retired at $120 and Common Stock no par was issued at $180	200,000	No Par	21,250,000	8,750,000	30,000,000	(300,000)	(100)	(21,250,000)	(8,750,000)	(30,000,000)			0	
	Excess of Price of Preferred Stock Retired Offset the additional cost on Common Stock				6,000,000	6,000,000				(6,000,000)	(6,000,000)				
Dec. 31, 1920	Capital Structure after Changes	350,000	No Par	21,250,000	14,750,000	36,000,000	0		0	0	0	350,000	57,949,453(W)	0	
Dec. 31, 1921												350,000	58,773,450		
Apr. to Sept. 1922	Preferred Stock was Issued for Redemption of 7% Bonds (X)						246,796	100		24,679,600	24,679,600				
Dec. 30, 1922	Issued for Funds to Redeem Outstanding 5% Mortgage Bonds	150,000	No Par	15,000,000		15,000,000									
Dec. 31, 1922												500,000	74,931,826	246,796	24,679,60
Dec. 31, 1927												500,000	77,123,767	246,796	24,679,60
Dec. 31, 1924												500,000	80,523,125	246,796	24,679,60
Sept. 15, 1925	7% Preferred Stock was Retired (X)						(246,796)			(24,679,600)				0	
Sept. 28, 1925	Capitalization of the Company was Changed as stated in Note Y Resulting in an Adjustment of Surplus Amounting to				1,500,000	1,500,000									
	Stock Dividend Issued Without Changing Capitalization	250,000	No Par		(Note X)										
Dec. 31, 1925	Capital Structure After Change in Capitalization	750,000	No Par	36,250,000	16,250,000	52,500,000	0		0	0	0	750,000	52,500,000(Y)	0	
Dec. 31, 1926												750,000	52,500,000	0	
May 25, 1927	Common Stock was Split 5 Shares for One	3,750,000	No Par	0	0	0									
Dec. 31, 1927	Capital Structure after Split-up and Transfer of Surplus				22,500,000	22,500,000						3,750,000	75,000,000	0	
Dec. 31, 1928	Common Stock Issued no par at $40 Per Share (Ratio 1 to 15)	250,000		10,000,000		10,000,000									
	Also Transfer of Surplus				15,000,000	15,000,000						4,000,000	100,000,000	0	
May 31, 1929	Common Stock Issued no par at $40 Per Share (Ratio 1 to 8)	500,000		20,000,000		20,000,000									
Dec. 2, 1929	Common Stock Issued no par at $40 Per Share (Ratio 1 to 6)	750,000		30,000,000		30,000,000									
Dec. 31, 1929												5,250,000	150,000,000	0	
Mar. 31, 1930	Common Stock Issued no par at $40 Per Share (Ratio 1 to 7)	750,000		30,000,000		30,000,000									
Dec. 31, 1930												6,000,000	180,000,000	0	
	Capital Structure at December 31, 1930	6,000,000		126,250,000	53,750,000	180,000,000									

U Surplus in these years was considered in value of common stock.

V Capital structure was changed as follows:
150,000 shares preferred par $100—$15,000,000
150,000 shares common no par — 25,229,032

Valued as follows:
Surplus December 31, 1914 $24,011,419

Y On September 28, 1925 the Board of Directors authorized the change in the capital of the Company to $52,500,000 represented by 500,000 shares of common stock no par value and further deemed it advisa that said capital shall be represented by 750,000 shares of common stock no par and declared a st dividend of 250,000 shares. The statement representing the Company's capital was changed so as to s that such capital shall be at least equal to the sum of the aggregate par value of all issued shares having value plus $5.00 in respect to every issued share without par. The revaluation was determined as follo

Value of common stock and surplus at December 31, 1924

	of New York the Capital Structure was	150,000	No Par	$	$ (V)	$ (V)	150,000	100	$6,250,000	$8,750,000	$15,000,000	150,000	25,453,648	150,000	15,0
ec. 31, 1916							150,000	100	15,000,000		15,000,000	150,000	25,755,364	300,000	30,0
ec. 29, 1917	Issued 6% Preferred Stock											150,000	25,965,685	300,000	30,0
ec. 31, 1917												150,000	27,054,594	300,000	30,0
ec. 31, 1918														0	
ec. 31, 1919															
ov. 9, 1920	Preferred Stock was retired at $120 and Common Stock no par was issued at $180	200,000	No Par	21,250,000	8,750,000	30,000,000	(300,000)	(100)	(21,250,000)	(8,750,000)	(30,000,000)				
	Excess of Price of Preferred Stock Retired Offset the additional cost on Common Stock				6,000,000	6,000,000				(6,000,000)	(6,000,000)				
ec. 31, 1920	Capital Structure after Changes	350,000	No Par	21,250,000	14,750,000	36,000,000	0		0	0	0	350,000	57,949,453(W)	0	
ec. 31, 1921												350,000	58,773,450		
ec. to	Preferred Stock was Issued for Redemption of 7% Bonds (X)						246,796	100		24,679,600	24,679,600				
ept. 1922															
ec. 30, 1922	Issued for Funds to Redeem Outstanding 5% Mortgage Bonds	150,000	No Par	15,000,000		15,000,000						500,000	74,931,826	246,796	24,6
ec. 31, 1922												500,000	77,123,767	246,796	24,6
ec. 31, 1923												500,000	80,523,125	246,796	24,6
ec. 31, 1924							(246,796)			(24,679,600)				0	
ept. 15, 1925	7% Preferred Stock was Retired (X)														
ept. 28, 1925	Capitalisation of the Company was Changed as stated in Note Y Resulting in an Adjustment of Surplus Amounting to				1,500,000	1,500,000									
	Stock Dividend Issued Without Changing Capitalization	250,000	No Par		(Note X)										
		750,000	No Par	36,250,000	16,250,000	52,500,000	0		0	0	0	750,000	52,500,000(Y)	0	
ec. 31, 1925	Capital Structure After Change in Capitalization											750,000	52,500,000	0	
ec. 31, 1926		3,750,000	No Par	0	0	0									
ay 25, 1927	Common Stock was Split 5 Shares for One											3,750,000	75,000,000	0	
ec. 31, 1927	Capital Structure after Split-up and Transfer of Surplus				22,500,000	22,500,000									
ec. 31, 1928	Common Stock Issued no par at $40 Per Share (Ratio 1 to 15)	250,000		10,000,000		10,000,000									
	Also Transfer of Surplus				15,000,000	15,000,000						4,000,000	100,000,000	0	
ay 31, 1929	Common Stock Issued no par at $40 Per Share (Ratio 1 to 8)	500,000		20,000,000		20,000,000									
ec. 2, 1929	Common Stock Issued no par at $40 Per Share (Ratio 1 to 6)	750,000		30,000,000		30,000,000						5,250,000	150,000,000	0	
ec. 31, 1929															
ar. 31, 1930	Common Stock Issued no par at $40 Per Share (Ratio 1 to 7)	750,000		30,000,000		30,000,000									
ec. 31, 1930												6,000,000	180,000,000	0	
	Capital Structure at December 31, 1930	6,000,000		126,250,000	53,750,000	180,000,000									

U Surplus in these years was considered in value of common stock.

V Capital structure was changed as follows:
150,000 shares preferred par $100—$15,000,000
150,000 shares common no par — 25,229,032

Valued as follows:	
Surplus December 31, 1914	$24,011,419
Dividends paid 1915	1,609,500
	22,401,919
Earnings 1915	2,827,113
Value of common stock and surplus 1915	25,229,032

W Capital structure was changed as follows:

Common stock and surplus 1919		27,054,594
200,000 shares issued at $180 amounted to	$36,000,000	
Premium paid on preferred stock retired	(6,000,000)	
Premium on 9 shares sold at $190 per share	90	
Earnings for 1920	894,769	30,894,859
		57,949,453

X From April to September 1922, 246,796 shares of 7% preferred stock were issued in conversion of bonds at $100 per share — 24,679,610
These shares were retired on September 15, 1925 at $110 per share — 27,147,560

Y On September 28, 1925 the Board of Directors authorised the change in the capital of the Comp
$52,500,000 represented by 500,000 shares of common stock no par value and further deemed it
that said capital shall be represented by 750,000 shares of common stock no par and declare
dividend of 250,000 shares. The statement representing the Company's capital was changed so
that such capital shall be at least equal to the sum of the aggregate par value of all issued shares
value plus $5.00 in respect to every issued share without par. The revaluation was determined

Value of common stock and surplus at December 31, 1924	$8
Represented by 500,000 shares was valued as follows:	
Earnings for Year 1925	
Premium Paid on 7% Preferred Stock Retired	(2
Special Dividend Received from International Western Electric Company, Incorporated	
Profit from Sale of International Western Electric Company, Incorporated	
Total Capital and Surplus at December 31, 1925	10
Stated Capital as set up per Board of Directors	5
Balance in Surplus Account at December 31, 1925	5

* Stated capital represented the following:
500,000 shares of common stock at $5.00 per share
500,000 shares of preferred stock at $100 per share

EXHIBIT A-233—Continued

Sheet 2

Western Electric Company, Incorporated

Analysis of Capital Stock Structure Since Commencement of Business to December 31, 1930

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
	Common Stock Issued					Preferred Stock Issued					Grand Total Number of Shares and Value at End of Each Year						
											Common Stock		Preferred Stock				
tion of Changes Capital Stock Structure	No. of Shares	Par Value	For Cash	From Surplus	Book Value	No. of Shares	Par Value	For Cash	From Surplus	Book Value	No. of Shares	Book Value	No. of Shares	Book Value	Balance Surplus Account in Years When Used	Total Capital and Surplus End of Each Year	
e Western Electric Company, In- s to the Western Electric Company pital Structure was	150,000	No Par	$	$ (V)	$ (V)	150,000	100	$6,250,000	$8,750,000	$15,000,000	150,000	$25,229,032	150,000	$15,000,000	$(U)	$40,229,032	1
											150,000	25,453,648	150,000	15,000,000	(U)	40,453,648	2
tock						150,000	100	15,000,000		15,000,000							3
											150,000	25,755,364	300,000	30,000,000	(U)	55,755,364	4
											150,000	25,965,685	300,000	30,000,000	(U)	55,965,685	5
											150,000	27,054,594	300,000	30,000,000	(U)	57,054,594	6
tired at $120 and Common Stock $180	200,000	No Par	21,250,000	8,750,000	30,000,000	(300,000)	(100)	(21,250,000)	(8,750,000)	(30,000,000)			0	0			7
referred Stock Retired Offset thee ommon Stock				6,000,000	6,000,000				(6,000,000)	(6,000,000)							8
Changes	350,000	No Par	21,250,000	14,750,000	36,000,000	0		0	0	0	350,000	57,949,453(W)	0	0	(U)	57,949,453	9
											350,000	58,773,450			(U)	58,773,450	10
Issued for Redemption of 7%						246,796	100		24,679,600	24,679,600							11
Redeem Outstanding 5% Mortgage	150,000	No Par	15,000,000		15,000,000												12
											500,000	74,931,826	246,796	24,679,600	(U)	99,611,426	13
											500,000	77,123,767	246,796	24,679,600	(U)	101,803,367	14
											500,000	80,523,125	246,796	24,679,600	(U)	105,202,725	15
s Retired (X)						(246,796)			(24,679,600)				0	0			16
Company was Changed as stated ng in an Adjustment of Surplus				1,500,000	1,500,000												17
d Without Changing Capitalisa-	250,000	No Par		(Note X)													18
r Change in Capitalization	750,000	No Par	36,250,000	16,250,000	52,500,000	0		0	0	0	750,000	52,500,000(Y)	0	0	48,934,583	101,434,583	19
											750,000	52,500,000	0	0	56,008,621	108,508,621	20
lit 5 Shares for One	3,750,000	No Par	0	0	0												21
r Split-up and Transfer of				22,500,000	22,500,000						3,750,000	75,000,000	0	0	12,987,786	87,987,786	22
no par at $40 Per Share	250,000		10,000,000		10,000,000												23
				15,000,000	15,000,000						4,000,000	100,000,000	0	0	10,783,954	110,783,954	24
no par at $40 Per Share	500,000		20,000,000		20,000,000												25
no par at $40 Per Share	750,000		30,000,000		30,000,000												26
											5,250,000	150,000,000	0	0	14,556,945	164,556,945	27
no par at $40 Per Share	750,000		30,000,000		30,000,000												28
											6,000,000	180,000,000	0	0	6,931,784	186,931,784	29
December 31, 1930	6,000,000		126,250,000	53,750,000	180,000,000												

rplus in these years was considered in value of common stock.

pital structure was changed as follows:
150,000 shares preferred par $100—$15,000,000
150,000 shares common no par — 25,229,032

Y On September 28, 1925 the Board of Directors authorized the change in the capital of the Company to be $52,500,000 represented by 500,000 shares of common stock no par value and further deemed it advisable that said capital shall be represented by 750,000 shares of common stock no par and declared a stock dividend of 250,000 shares. The statement representing the Company's capital was changed so as to state that such capital shall be at least equal to the sum of the aggregate par value of all issued shares having par value plus $5.00 in respect to every issued share without par. The revaluation was determined as follows:

...ois to the Western Electric Company																3
Capital Structure was	150,000	No Par	$	$ (V)	$ (V)	150,000	100	$6,250,000	$8,750,000	$15,000,000	150,000	$25,453,648	150,000	15,000,000	(U)	40,453,648	4
						150,000	100	15,000,000		15,000,000	150,000	25,755,864	300,000	30,000,000	(U)	55,755,864	5
Stock											150,000	25,965,685	300,000	30,000,000	(U)	55,965,685	6
											150,000	27,054,594	300,000	30,000,000	(U)	57,054,594	7
													0	0			8
retired at $120 and Common Stock at $180	200,000	No Par	21,250,000	8,750,000	30,000,000	(300,000)	(100)	(21,250,000)	(8,750,000)	(30,000,000)							9
Preferred Stock Retired Offset the Common Stock				6,000,000	6,000,000				(6,000,000)	(6,000,000)							10
	350,000	No Par	21,250,000	14,750,000	36,000,000	0		0	0	0	350,000	57,949,453(W)	0	0	(U)	57,949,453	11
ter Changes											350,000	58,773,450			(U)	58,773,450	12
						246,796	100		24,679,600	24,679,600							13
as Issued for Redemption of 7%											500,000	74,931,826	246,796	24,679,600	(U)	99,611,426	14
o Redeem Outstanding 5% Mortgage	150,000	No Par	15,000,000		15,000,000						500,000	77,123,767	246,796	24,679,600	(U)	101,803,367	15
											500,000	80,523,125	246,796	24,679,600	(U)	105,202,725	16
													0	0			17
						(246,796)			(24,679,600)								18
was Retired (X)																	19
he Company was Changed as stated ulting in an Adjustment of Surplus				1,500,000	1,500,000												20
				(Note X)													21
ssued Without Changing Capitalisa-	250,000	No Par									750,000	52,500,000(Y)	0	0	48,934,583	101,434,583	22
	750,000	No Par	36,250,000	16,250,000	52,500,000	0		0	0	0	750,000	52,500,000	0	0	56,008,621	108,508,621	23
After Change in Capitalization	3,750,000	No Par	0	0	0												24
s Split 5 Shares for One				22,500,000	22,500,000						3,750,000	75,000,000	0	0	12,987,786	87,987,786	25
after Split-up and Transfer of					10,000,000												26
ued no par at $40 Per Share	250,000		10,000,000	15,000,000	15,000,000						4,000,000	100,000,000	0	0	10,783,954	110,783,954	27
urplus					20,000,000												28
ued no par at $40 Per Share	500,000		20,000,000								5,250,000	150,000,000	0	0	14,556,945	164,556,945	29
	750,000		30,000,000		30,000,000												
ued no par at $40 Per Share	750,000		30,000,000		30,000,000						6,000,000	180,000,000	0	0	6,931,784	186,931,784	
).																	
re at December 31, 1930	6,000,000		126,250,000	53,750,000	180,000,000												

U Surplus in these years was considered in value of common stock.

V Capital structure was changed as follows:
150,000 shares preferred par $100—$15,000,000
150,000 shares common no par — 25,229,032

Valued as follows:		
Surplus December 31, 1914		$24,011,419
Dividends paid 1915		1,609,500
		22,401,919
Earnings 1915		2,827,113
Value of common stock and surplus 1915		25,229,032

W Capital structure was changed as follows:

Common stock and surplus 1919		27,054,594
200,000 shares issued at $180 amounted to	$36,000,000	
Premium paid on preferred stock retired	(6,000,000)	
Premium on 9 shares sold at $190 per share	90	
Earnings for 1920	894,769	30,894,859
		57,949,453

X From April to September 1922, 246,796 shares of 7% preferred stock were issued in conversion of bonds at $100 per share — 24,679,610
[illegible] shares retired on September 15, 1925 at $110 per share — 27,147,560

Y On September 28, 1925 the Board of Directors authorized the change in the capital of the Company to be $52,500,000 represented by 500,000 shares of common stock no par value and further deemed it advisable that said capital shall be represented by 750,000 shares of common stock no par and declared a stock dividend of 250,000 shares. The statement representing the Company's capital was changed so as to state that such capital shall be at least equal to the sum of the aggregate par value of all issued shares having par value plus $5.00 in respect to every issued share without par. The revaluation was determined as follows:

Value of common stock and surplus at December 31, 1924	$80,523,125
Represented by 500,000 shares was valued as follows:	
Earnings for Year 1925	7,424,322
Premium Paid on 7% Preferred Stock Retired	(2,467,960)
Special Dividend Received from International Western Electric Company, Incorporated	9,700,000
Profit from Sale of International Western Electric Company, Incorporated	6,255,096
Total Capital and Surplus at December 31, 1925	101,434,583
Stated Capital as set up per Board of Directors *	52,500,000
Balance in Surplus Account at December 31, 1925	48,934,583

* Stated capital represented the following:

500,000 shares of common stock at $5.00 per share	2,500,000
500,000 shares of preferred stock at $100 per share	50,000,000
	52,500,000

EXHIBIT A-233

Sheet 3

Western Electric Company, Incorporated Statement of Surplus and Undivided Earnings for Years 1916 to 1930

a	b	c	d	e	f	g	h	
Year Ending Dec. 31st	Total Earnings	Interest Paid on Bonds, Borrowings and Bond Discount	Dividends Paid		Balance Carried to Common Stock and Surplus (b−(c to e))	Adjustments to Capital Stock and Surplus (Analysed on Attached Statement)	Capital and Surplus at End of Each Year (A)	
			Common Stock	Preferred Stock				
1915	$.....	$.....	$.....	$.....	$.....	$.....	$25,229,032	1
1916	3,204,710	880,094	1,200,000	900,000	224,616	0	25,453,648	2
1917	4,161,560	1,309,844	1,200,000	1,350,000	301,716	0	25,755,364	3
1918	5,050,849	1,540,528	1,500,000	1,800,000	210,321	0	25,965,685	4
1919	5,652,089	1,263,180	1,500,000	1,800,000	1,088,909	0	27,054,594	5
1920	5,277,414	4,037,645	3,000,000	345,000	894,769	30,000,000(B)	57,949,453	6
1921	10,166,337	5,842,340	3,500,000	0	823,997	0	58,773,450	7
1922	9,235,890	3,904,097	3,500,000	686,857	1,144,936	15,013,438(C)	74,931,826	8
1923	10,079,471	1,159,958	5,000,000	1,727,572	2,191,941	0	77,123,767	9
1924	14,505,857	4,378,927	5,000,000	1,727,572	3,399,358	0	80,523,125	10
1925	16,073,981	1,730,679	5,625,000	1,233,980	7,424,322	(39,012,864)(D)	48,934,583	11
1926	16,431,933	1,857,895	7,500,000	0	7,074,038	0	56,008,621	12
1927	19,339,174	1,982,757	7,500,000	0	9,856,417	(52,877,252)(E)	12,987,786	13
1928	22,023,282	2,315,393	11,250,000	0	8,457,889	(10,661,721)(F)	10,783,954	14
1929	31,555,774	4,560,528	23,500,000	0	3,495,246	277,745(G)	14,556,945	15
1930	20,297,612	4,672,773	23,250,000	0	(7,625,161)	0(H)	6,931,784	16
Grand Total	196,055,933	41,496,638	104,025,000	11,570,981	38,963,314	(57,260,564)	.....	17

8855

[fol. 13964]

EXHIBIT A233

Sheet 4

A. For the Years 1916 to 1924 Inclusive, Capital and Surplus was stated as the book value of Outstanding Capital Stock. In 1925 Surplus Account was set up.

B. Represents:

200,000 shares of Common Stock issued at $180 per share	$36,000,000
Less: Premium paid on the Redemption of 300,000 shares of Preferred Stock par $100 at $120 per share	6,000,000
	30,000,000
Plus: Premium of $10 a share on 9 shares of Common Stock not subscribed to and sold to American Telephone and Telegraph Company at $190	90
Net adjustment 1920	30,000,090

C. Represents:

150,000 shares of Common Stock Issued at $100 per share	15,000,000
Premium on Sale of 1,413 shares of Preferred Stock	13,438
Net adjustment 1922	15,013,438

D. Represents:

Special Dividend received from International Western Electric Company, Incorporated	9,700,000
Profit resulting from Sale of International Western Electric Company, Incorporated	6,255,000
	15,955,000
Less: Premium paid of $10 per share on Redemption of 246,796 shares of Preferred Stock	2,467,900
Stated Capital set up per Board of Directors	52,500,000
	54,967,900
Net adjustment 1925	39,012,900

E. Represents:

Reserve for Contingencies transferred to Surplus	6,824,719
Reserve against Bell Laboratories Notes transferred to Surplus	1,068,300
Adjustment for International Standard Electric Corporation Pension Reserve transferred to Surplus	330,154
Adjustment for Graybar Electric Company, Inc. Pension Reserve transferred to Surplus	371,150
Receipt of Special Dividend for Electrical Research Products, Inc.	48,750,000
	57,334,323
Less: Revaluation of the holdings in Electrical Research Products Inc.	38,611,150
Distribution of Special Dividend received from Electrical Research Products Inc.—Rate of $13.00 a share	48,750,000
Special Surplus Adjustment	1,000
Transfer of Surplus to Common Stock	39,000,000
	126,361,150
Net adjustment 1927	69,027,173

Exhibit A233—Sheet 4—Continued

F. Represents:

Final adjustment to Graybar Pension Fund	325,831
Adjustment for Electrical Research Products Inc. Pension Fund	12,448
Revaluation of holdings in Electrical Research Products Inc.	4,000,000
Funds received from the issue of 250,000 shares of Common Stock at $40 per share	10,000,000
	14,338,279
Less: Transfer of Surplus to Common Stock	25,000,000
Net adjustment 1928	10,661,721

ols. 13955-13958]

Sheet 5

. Represents:

Final adjustment of International Western Electric Company, Incorporated Pension Fund	$277,745
Funds Received from the issue of 500,000 Common Stock at $40 per share	20,000,000
Funds Received from the issue of 750,000 shares Common Stock at $40 per share	30,000,000
	50,277,745
Less: Transfer of Funds received for issues of Common Stock	50,000,000
Net adjustment 1929	277,745

There was an in and out transfer of Surplus for the issue of 750,000 shares of Common Stock at $40 per share amounting to $30,000,000.

March 23, 1931.

ol. 13959]

Exhibit A-256

verage Notes Payable of Electrical Research Products, Inc., to Western Electric Co., Inc., 1927 to 1930 Inclusive

1927	$0
1928	14,043,000
1929	32,982,000
1930	25,591,000

EXHIBIT A-257

[fol. 13960]

Earnings of the Western Electric Company on Bell Business, Expressed in Percentages of Sales and in Percentage of (a) Average Investment and (b) Average Investment Less Amount of Depreciation Reserve Account, 1916 to 1932 Inclusive and 1923 to 1932 Inclusive (with Adjustments for Certain Items Listed on Page 2 of this Exhibit).

(Dollars in Thousands)

	Sales	Earnings	Per Cent Earnings to Sales (b÷a)	Average Investment	Per Cent Earnings to Average Investment b(÷d)	Average Investment Less Amount of Deprec. Reserve Account	Per Cent Earnings to Average Investment Less Amount of Deprec. Reserve Account (b÷f)
1916–1932	$3,258,182	$152,367	4.7	$2,498,364	6.1	$1,930,535	7.9
1923–1932	2,486,453	120,397	4.8	1,898,111	6.3	1,451,045	8.3

The purpose of this Exhibit is to show the effect on earnings of the Western Electric Company on its Bell business if certain controverted points set out on the following sheets were taken into consideration. None of these adjustments are conceded, except items 6 and 7 shown on Page 2.

[Fol. 12961] Adjustments

(Dollars in Thousands)

	1916 to 1932	1923 to 1932
Earnings as shown on A194 Col. B	$145,307	$113,179
Adjustments:		
1. Effect of writing extraordinary reserve on plant off of cost value	3,147+	3,147+
2. Profit on Sale of Automatic Electric Option	3,002+	2,429+
3. Effect of Crediting to Bell Business Net Royalties Received (Exhibit A82)	2,243+	762+
4. Effect of charging cost of patents to cost of operations	2,208−	2−
5. Effect of Sale of Eng. Dept. plant to Bell Telephone Lab	565+	565+
6. Effect of Substituting Federal Taxes paid for accruals	191+	197+
7. Adjusting 1924 overcharges of Pension Fund appropriation	120+	120+
Total Adjustments	7,060+	7,218+
Adjusted Earnings	152,367	120,397
Average Cumulative Investment as shown on A194, Col. D	2,553,073	1,952,820
Cumulative Effect of Writing off of cost values extraordinary reserve on plant—made 1924–1927 incl., aggregating $8,233,000	54,709−	54,709−
Adjusted Average Cumulative Investment	2,498,364	1,898,111
Average Cumulative Investment less Amount of Depreciation Reserve Account as shown on A194, Col. F	1,918,641	1,439,151
Cumulative Effect on Depreciation Reserve of Writing off of cost value extraordinary reserve on plant—made 1924–1927 incl., aggregating $8,233,000	11,894+	11,894+
Adjusted Average Cumulative Investment less Amount of Depreciation Reserve Account	1,930,535	1,451,045

Explanation of Adjustments

1. Effect of writing extraordinary reserve on plant off of cost value:

In the years 1924, 1925, 1926 and 1927 the Western Electric Company set up an extraordinary reserve against plant to cover the expected reduction in costs over the ten-year period from 1931 to 1940. The Company's position in this respect is that it was correct to charge this added cost in the years of great activity rather than to defer such costs to years when the activity would be considerably reduced. Also, it is the Company's position that as and when the anticipated reductions in prices are manifested during the [Fol. 12962] period from 1931 to 1940, the amount of this

reserve will be deducted from the face value of the plan accounts. This exhibit reflects the effect on profits and on the average investment of the Western Electric Company of writing off from the face of the plant accounts the amount of these reserves in the years when they were made upon the books.

2. Effect of the profit on the sale of option to purchase control of Automatic Electric Company:

In 1927 the Electrical Research Products Inc. obtained $4,000,000 from the sale of an option to purchase the stock of the International Telephone Sales and Engineering Corporation which controlled the stock of the Automatic Electric Company. This exhibit gives effect to the inclusion as a part of earnings on Bell business of the proper portion of the sales price ascertained on the basis of purchases by the Western Electric Company of step-by-step equipment from the Automatic Electric Company during the period 1919 to 1932, inclusive.

3. Effect of crediting to Bell business net royalties received:

Exhibit A-82 shows the total amount of royalties received by the Western Electric Company and all of its subsidiaries less expenses applicable to such royalties. The amount of net royalties received, as shown by the statement for the period 1916 to 1931, was $2,243,000. No net royalties are included in this exhibit for 1932 as in the Company's opinion development and other expenses applicable thereto will be equal to or exceed the royalties to be received for the current year. This exhibit shows the effect of crediting the net amount of these royalties to Bell business of the Western Electric Company during the period.

4. Effect of charging cost of patents to cost of operations:

During the period 1916 to 1927 the Western Electric Company charged the cost of patents purchased to surplus. The cost of such patents was not included in the cost of sales as shown in Exhibits A-77 to A-80, inclusive. This exhibit gives effect to including the cost of such patents [fols. 13963-13965] as a part of the cost of sales, and

been the Company's practice since 1927 and which it considers proper for all years involved.

5. Effect of the sale of engineering department plant of the Western Electric Company to the Bell Telephone Laboratories:

As of January 1, 1925, the plant of the Engineering Department of the Western Electric Company was sold to the Bell Telephone Laboratories. As a result of this sale, development charges to the Western Electric Company from the Bell Telephone Laboratories since January 1, 1925, were larger than would have been incurred by the Western Electric Company if the sale had not been effected, on account of depreciation charges and interest on investment. This exhibit gives effect to reducing such development costs to what they would have been had this plant not been sold to the Bell Telephone Laboratories.

6. Effect of substituting Federal taxes paid for Federal taxes accrued:

The cost of sales, as shown in Exhibits A-77 to A-80, inclusive, include in each year the accrual set up for the payment of federal taxes. This exhibit gives effect to the difference between the accruals as set up in the normal course of business and the amount which, at a later date, was actually paid to the Government for that year.

7. Adjusting the overcharge of pension fund appropriation in 1924:

In 1924 $2,000,000 was appropriated by the Western Electric Company from earnings, for pension fund. In Exhibits A-77 to A-80, inclusive, this amount was considered as chargeable entirely to Bell business and was so handled in profit reports of the Western Electric Company covering operations for the year 1924. This exhibit gives effect to the fact, as testified by Mr. Gregory, that we now believe a certain portion of this appropriation should have been assessed against the non-Bell business.

[fol. 13966] EXHIBIT A-260

American Telephone and Telegraph Company

High and Low Selling Prices, Earnings Per Share Per Year and Percentag
Such Earnings Upon Market Price of Stock

Years		Price	Dollars per Share Earned Annually	Percentages of Earnings Upon Market Prices of Stock	Aver Percen
1921	High	$119-1/2	$124.6	10.43	11.72
	Low	95-3/4		13.01	
1922	High	128-1/4	13.05	10.18	10.79
	Low	114-1/2		11.40	
1923	High	128-3/4	12.62	9.80	10.19
	Low	119-1/8		10.59	
1924	High	134-3/4	11.92	8.85	9.34
	Low	121-1/8		9.84	
1925	High	145	13.59	9.37	9.88
	Low	130-5/8		10.40	
1926	High	151	14.26	9.44	9.82
	Low	139-5/8		10.21	
1927	High	185-1/2	13.70	7.39	8.28
	Low	149-1/4		9.18	
1928	High	211	14.64	6.94	7.72
	Low	172		8.51	

NOTE.—Annual earnings shown above do not include undistributed prof
Western Electric Company nor dividend of $48,000,000, paid by that com
in 1927.

EXHIBIT A-261

December 16, 193

Mr. E. Ehrlich:

—In recent years the trend in modern industries has sh
s marked increased in substitution of machine for ma
operations, and toward the substitution of special mac
ery designed for a particular operation or product
standard machinery, thereby materially increasing the
tor of obsolescence to be covered by depreciation rates

During 1928, a study was made by the Plant Engin
in the Engineer of Manufacture's Department of the W
ern Electric Company, Incorporated, as to the proper
of depreciation to be used on machinery. Their study
ered machinery with a face value of $3,674,000, or appr
mately 14% of the total machinery cost. Conclusi
reached are considered by the Engineers as properly
plicable to the whole class of machinery. The result
their studies are shown in Appendix A, attached.

The engineers, in estimating the serviceable life of
chinery, took into consideration factors for wear and
[fol. 13967] and obsolescence. They found that the ra
depreciation should be increased to take care of the
creased life resulting from the obsolescence factor,

recommended that the previous rate in use, of 7½%, be increased to 10% per annum. This rate of 10% on machinery is in line with the practice laid down in the Standard Accounting and Cost System for the Electrical Manufacturing Industry where the rates of 7½% to 12½% are recommended.

As a result of the above studies, the depreciation rate on machinery was changed from 7½% to 10%, effective January 1, 1928. As of December 31, 1928, the following journal entry was made on the books of the Company, adjusting the depreciation for the years 1924 to 1927 from 7½%, as depreciated on the books, to 10% per annum:

Dr. 107	Profit and Loss	$2,000,000
Cr. 117	Reserve for Depreciation of Plant	$2,000,000

At a meeting of the Board of Directors held on February 13, 1929, the following resolution was adopted:

"Whereas, there has been a material increase in the past five years in the factor of obsolescence in the machinery of the Manufacturing Department through the improvement made in methods and equipment; and

"Whereas, the depreciation charged against cost during these years was not sufficient to cover this increased obsolescence,

"Now, therefore, be it resolved, That the officers be and they are hereby authorized to set aside as depreciation reserve on plant, $2,000,000, in addition to the depreciation charged at regular rates."

The above figure of $2,000,000 was arrived at as follows:

	Total	1927	1926	1925	1924
Actual depreciation written off on machinery, computed at 7-1/2% of cost value.	$6,092,295	$1,639,614	$1,521,826	$1,595,341	$1,335,514
Additional amount necessary to depreciate machinery 10% of cost value, 1/3 of line above.....	2,030,764	546,538	507,275	531,780	445,171

As the Federal Income Tax Returns for the years 1924 through 1927 are not finally audited, claim is made for addi-
[fols. 13968-13981] tional depreciation on machinery in these years aggregating $2,030,764.

J. Burgess.

STATE OF NEW YORK,
County of New York, ss:

John Burgess being duly sworn, deposes and says the above is a true and accurate copy of original memorandum prepared by deponent and delivered to Mr. E. Ehrlich on or about December 16, 1930.

John Burgess, Chief Corporation Accountant, W. E. Co., Inc.

Subscribed and sworn to before me this 16th day of June, 1932. George F. Knapp, Notary Public, New York County #159. New York County Register's #3K72. Commission expires March 30th, 1933.

[fol. 13862]

EXHIBIT A-271

Earnings of the Western Electric Company on Bell Business Expressed in Percentages of Sales and in Percentage of (a) Average Investment and (b) Average Investment Less Amount of Depreciation Reserve Account Compared with 88 Manufacturing Companies, 1925 to 1930 Inclusive.

(Dollars in Thousands)

	a	b	c	d	e	f	g
	Sales	Earnings	Per Cent Earnings to Sales (b÷a)	Average Investment	Per Cent Earnings to Average Investment (b÷d)	Average Investment Less Amount of Deprec. Reserve Account	Per Cent Earnings to Average Investment Less Amount of Deprec. Reserve Account (b÷f)
Western Electric Company Bell Business	$1,693,987	$92,012	5.4	$1,127,152	8.2	$843,860	10.91
88 Manufacturing Companies	.....	4,886,694	...	40,128,000	12.2	33,706,000	14.52

(Here follows 1 table, folio 13983.)

[1983]

EXHIBIT D-19

Western Electric Company, Incorporated

Analysis of the Cost of Sales by Bell and Non-Bell Customers

(Dollars in Thousands)

	Bell Customers											Non-Bell Customers											
						Expenses										Expenses							
Year	Sales	Gross profits	Current cost of sales before interest and expenses	Additions to employees' benefit fund	Additional depreciation of plant	Development	Merchandising	General	Federal taxes	Interest received	Total cost	Sales	Gross Profits	Current cost of sales before interest and expenses	Additions to employees' benefit fund	Additional depreciation of plant	Development	Merchandising	General	Federal taxes	Interest received	Total cost	Year
1916	$73,915	$6,314	$67,601	$0	$0	$1,227	$1,257	$1,933	$38	$(281)	$71,775	$33,072	$5,925	$27,147	$0	$0	$244	$2,975	$1,086	$30	$(140)	$31,342	1916
1917	104,682	7,792	96,890	0	0	1,662	1,503	2,274	192	(364)	102,157	45,658	8,738	36,920	0	0	307	3,483	1,499	250	(76)	42,383	1917
1918	79,217	7,935	71,282	0	0	1,673	1,844	2,215	285	(503)	76,796	66,009	11,164	54,845	0	0	845	4,178	2,228	345	(45)	62,396	1918
1919	80,361	9,881	70,480	0	0	2,220	2,241	3,040	239	(546)	77,674	55,361	9,914	45,447	0	0	724	4,614	1,691	228	(32)	52,672	1919
1920	130,712	13,506	117,206	0	0	3,310	2,928	2,698	302	(587)	125,857	75,400	12,208	63,192	0	0	425	7,194	2,178	149	(173)	72,965	1920
1921	142,885	20,150	122,735	0	0	4,854	1,804	3,026	315	(987)	131,747	46,880	5,576	41,304	0	0	445	6,244	1,739	25	(213)	49,544	1921
1922	159,957	16,666	143,291	0	0	4,840	2,009	3,907	497	(949)	153,595	50,984	9,537	41,447	0	0	652	5,553	1,624	176	(140)	49,312	1922
1923	188,159	22,483	165,676	0	0	5,497	3,690	6,565	769	(230)	181,967	67,018	12,624	54,394	0	0	1,006	6,179	2,226	398	(108)	64,095	1923
1924	233,300	37,603	195,697	2,000	1,563	9,221	4,418	7,210	2,561	(245)	222,425	64,981	12,192	52,789	0	0	1,309	6,176	2,042	371	(76)	62,611	1924
1925	226,700	41,591	185,109	3,283	1,966	6,967	4,449	7,342	2,588	(1,256)	210,448	71,029	13,103	57,926	1,617U	202	2,777	6,636	2,330	508	(295)	71,701	1925
1926	247,203	47,295	199,908	3,443	1,914	9,407	12,985	4,436	3,311	(752)	234,652	15,902	4,561	11,341	233	188	1,030	954	380	94	(14)	14,206	1926
1927	241,062	52,456	188,606	3,172	1,666	11,382	13,353	4,544	2,264	(793)	224,194	12,662	3,975	8,687	192	137	1,024	720	413	197	(5)	11,365	1927
1928	267,808	47,896	219,912	236	1,831	8,872	15,252	3,589	1,556	(724)	250,524	20,123	6,293	13,830	13	169	1,439	905	953	230	(8)	17,531	1928
1929	372,384	49,303	323,081	0	0	8,910	18,642	3,919	1,329	(869)	355,012	38,566	11,966	26,600	0	0	2,114	1,493	1,221	763	(14)	32,177	1929
1930	338,830	48,058	290,772	0	0	12,244	19,494	4,420	1,097	(882)	327,145	22,648	5,557	17,091	0	0	1,772	1,242	1,120	180	(6)	21,399	1930
Total	2,887,175	428,929	2,458,246	12,134	8,940	92,286	105,869	61,118	17,343	(9,968)	2,745,968	686,293	133,333	552,960	2,055	696	16,113	58,546	22,730	3,944	(1,345)	655,699	Total

U Includes $1,400,000 Reserve for Graybar Electric Company, Inc. Pension Fund.

Western Electric Company, Inc.

Details of Journal Entry for Extraordinary Reserve Against Plant, December 31, 1927

	Hawthorne			Kearny			
	Buildings	Permanent Fixtures	Machinery	Buildings	Permanent Fixtures	Machinery	Total
Total extraordinary depreciation based on studies to revalue Plant to estimated cost levels for the ten years 1931–1940	$1,303,280	$565,283	$2,585,470	$2,186,995	$748,452	$843,821	$8,233,301
Less:							
Excess over normal depreciation on Hawthorne's books resulting from writing back at December 31, 1924, the excess war cost of gross additions written off in the years 1917 to 1920, inclusive	$340,382	$94,049	$163,614	$.....	$.....	$.....	$598,045
Extraordinary depreciation written off to profit and loss at December 31, 1924, to revalue buildings, permanent fixtures, and machinery to estimated costs for the next ten years (J. E. 284)	.....	.....	314,810	732,463	156,334	173,742	1,377,349
Additional depreciation written off to profit and loss in 1924 for faster obsolescence on machinery (J. E. 284)	.....	.....	185,190	.....	.....	.....	185,190
Extraordinary depreciation written off to profit and loss at December 31, 1925, to revalue buildings, permanent fixtures, and machinery to estimated costs for the next ten years (J. E. 280)	209,018	.....	1,084,280	436,537	309,666	128,258	2,167,759
Extraordinary depreciation written off to current expenses at December 31, 1926, to revalue buildings, permanent fixtures, and machinery to estimated costs for the next ten years (J. E. 224)	284,442	164,146	227,318	771,188	354,306	300,455	2,101,855
Extraordinary depreciation to be written off at December 31, 1927	469,438	307,088	610,258	246,807	71,854	241,366	1,803,103
Total Extraordinary Depreciation written off	$1,303,280	$565,283	$2,585,470	$2,186,995	$748,452	$843,821	$8,233,301

8867

[fol. 13986]

EXHIBIT D-28

Western Electric Company, Inc.

Extraordinary Reserve Against Plant

to Bring Additions to Estimated Cost Level for 1931-1940

	Year	Additions	Actual Cost Index (S) (1914—100 %)	Estimated 10 Year Index 1931-40 (S) (1914—100 %)	Per Cent Excess	Amount of Excess
			%	%		
Hawthorne:						
Buildings	1917	$739,000	153	149	2.6	$19,214
	1918	529,000	166	149	10.2	53,958
	1919	538,000	161	149	7.5	40,350
	1920	1,747,000	207	149	28.0	489,160
	1921	1,269,060	177	149	15.8	200,502
	1922	520,000	156	149	4.5	23,400
	1923	1,021,000	181	149	17.7	180,717
	1924	499,000	188	149	20.7	103,293
	1925	93,000	189	149	21.2	19,716
	1926	134,000	184	149	19.0	25,460
	1927	990,000	175	149	14.9	147,510
						$1,303,280
Permanent Fixtures	1918	356,000	153	145	5.2	$18,512
	1919	263,000	158	145	8.2	21,566
	1920	485,000	177	145	18.1	87,785
	1921	914,000	167	145	13.2	120,648
	1922	340,000	146	145	.7	2,380
	1923	665,000	164	145	11.6	77,140
	1924	706,000	169	145	14.2	100,252
	1925	164,000	175	145	17.1	28,044
	1926	82,000	178	145	18.5	15,170
	1927	638,000	170	145	14.7	93,786
						$565,283
Machinery	1919	219,000	179	168	6.1	$13,359
	1920	1,829,000	223	168	24.7	451,763
	1921	2,661,000	200	168	16.0	425,760
	1922	1,794,000	187	168	10.2	182,988
	1923	1,796,000	200	168	16.0	287,360
	1924	2,658,000	194	168	13.4	356,172
	1925	835,000	203	168	17.2	143,620
	1926	904,000	208	168	19.2	173,568
	1927	3,443,000	200	168	16.0	550,880
						$2,585,470

(S) Indices furnished by Mr. Lincoln as follows:
Buildings and permanent fixtures 4-2-27.
Machinery 10-14-26, 10-19-26, 12-15-26.

[fol. 13967]

Exhibit D–28—Continued

Western Electric Company, Inc.

Extraordinary Reserve Against Plant

to Bring Additions to Estimated Cost Level for 1931–1940

	Year	Additions	Actual Cost Index (8) (1914—100 %)	Estimated 10 Year Index 1931–40 (8)	Per Cent Excess	Amount of Excess
Kearny:			%	%		
Buildings	1923	$470,000	194	163	16.0	$75,200
	1924	4,135,000	206	163	20.9	864,215
	1925	3,061,000	204	163	20.1	615,261
	1926	1,271,000	210	163	22.4	284,704
	1927	1,879,000	200	163	18.5	347,615
						$2,186,995
Permanent Fixtures	1923	83,000	168	149	11.3	$9,379
	1924	902,000	178	149	16.3	147,026
	1925	2,108,000	179	149	16.8	354,144
	1926	831,000	184	149	19.0	157,890
	1927	537,000	175	149	14.9	80,013
						$748,452
Machinery	1917	.....	...	...	....	$.....
	1918	.....	...	...	....	.....
	1919	25,000	179	168	6.1	1,525
	1920	48,000	223	168	24.7	11,856
	1921	104,000	200	168	16.0	16,640
	1922	64,000	187	168	10.2	6,528
	1923	256,000	200	168	16.0	40,960
	1924	2,016,000	194	168	13.4	270,144
	1925	886,000	203	168	17.2	152,392
	1926	1,033,000	208	168	19.2	198,336
	1927	909,000	200	168	16.0	145,440
						$848,821

(8) Indices furnished by Mr. Lincoln as follows:
Buildings and permanent fixtures 4–2–27.
Machinery 10–14–26, 10–19–26, 12–15–26.
April 22, 1931.

[fol. 13988]

EXHIBIT D-29

B—Const. Cost Indices

W. E. Construction Cost Indices

As Prepared by Plant Engineering Department and General Statistical Department

1914–100

	Hawthorne Plant			Kearny Plant (NY Base=100)		
	Old G.S.D. Index	New Index Buildings Only	New Index Permanent Fixtures Only	Old G.S.D. Index	New Index Buildings Only	New Index Permanent Fixtures Only
1914	100	100	100	100	100	100
1915	103	111	101	...	...	...
1916	126	144	115	...	...	...
1917	152	153	140	...	...	...
1918	155	166	153	...	...	...
1919	162	161	158	...	...	...
1920	227	207	177	...	...	...
1921	199	177	167	...	...	...
1922	166	156	146	...	...	...
1923	196	181	164	214	194	168
1924	192	188	169	217	206	178
1925	187	189	175	207	204	179
1926	189*	184	178	213**	210	184
			Estimates			
1927	179	175	170	204	200	175
1928	173	170	165	193	190	170
1929	172	170	165	191	188	170
1930	171	168	165	185	184	170
1931	165	164	160	179	180	166
1932	162	160	157	176	176	161
1940	137	155	151	150	149	135
			Ten Year Moving Averages			
1926–35	168	155	161	185	183	166
1927–36	163	161	158	180	178	162
1928–37	160	158	155	175	174	159
1929–38	157	155	152	171	170	156
1930–39	154	152	149	168	167	153
1931–40	150	149	145	164	163	149

* Preliminary figure, as used in computations; final figure for year, 191.

** Preliminary figure, as used in computations; final figure for year, 214.

ARH:EA.

4/2/27.

1914=100

Hawthorne Plant

	Old G. S. D. Index		New Index, Buildings Only			New Index, Permanent Fixtures Only		
	Material	Labor	Material	Labor	Total	Material	Labor	Total
1914	100	100	100	100	100	100	100	100
1915	105	100	120	100	111	103	100	101
1916	149	103	177	102	144	125	101	115
1917	199	106	193	104	153	168	101	140
1918	200	112	202	121	166	185	110	153
1919	195	129	175	143	161	179	130	158
1920	252	202	223	187	207	186	166	177
1921	192	205	165	191	177	166	168	167
1922	174	159	153	159	156	146	144	146
1923	208	184	192	167	181	168	157	164
1924	194	189	186	191	188	163	175	169
1925	179	199	173	207	189	161	193	175
1926	178*	207*	157	217	184	159	203	178
1940 (Est.)	125	149	118	156	...	119	146	...

Kearny Plant

	Old G. S. D. Index		New Index, Buildings Only				New Index, Permanent Fixtures Only			
			Hawthorne Base		Kearny Base		Hawthorne Base		Kearny Base	
	Material	Labor	Material	Labor	Material	Labor	Material	Labor	Material	Labor
1923	223	208	197	190	186	219	160	163	160	189
1924	213	226	189	208	180	240	158	180	158	209
1925	194	231	183	214	175	246	154	183	154	213
1926	194*	243*	180	224	172	258	150	198	150	230
1940 (Est.)	135	175	...	...	120	186	...	...	112	166

(*) 9 Mos.—12 Mos. Hawthorne Material 179, Labor 213.
" " Kearny " 195, " 244.

Western Electric Company, Inc., General Statistical Department.
Date Issued: April 5, 1927.
ARH:ACF.

[fol. 13990]

Exhibit D-29—Continued

Basis for Estimates of Deflation Indices for Plant Accounts

1914=100

Hawthorne

Buildings

	Old G. S. D.			New Bldgs. Only			New Permanent, Fixtures Only		
	Material	Labor	Comp.	Material	Labor	Comp.	Material	Labor	Comp.
1926	178	207	189*	157	217	184	159	203	178
Estimated Percentage of Price Decline	−30	−10	...	−25	−10	...	−25	−10	...
Estimate for 1940 without Adjustment for Increased Efficiency	125	186	150	118	195	155	119	183	147
Adjustment for Increased Efficiency of Labor	...	−20	...	...	−20	...	...	−20	...
1940	125	149	135	118	156	135	119	146	131

Kearny

(New York Base)

Buildings

	Old G. S. D.			New Bldgs. Only			New Permanent, Fixtures Only		
	Material	Labor	Comp.	Material	Labor	Comp.	Material	Labor	Comp.
1926	194	243	213*	172	258	210	150	230	184
Estimated Percentage of Price Decline	−30	−10	...	−30	−10	...	−25	−10	...
Estimated for 1940 without Adjustment for Increased Efficiency	135	219	169	120	232	169	112	207	153
Adjustment for Increased Efficiency of Labor	...	−20	...	...	−20	...	...	−20	...
1940	135	175	150	120	186	149	112	166	135

* 2 Mos. 1926.

Western Electric Company, Inc., General Statistical Department.

Prepared: 4/6/37.

			American Appraisal					General Statistical Department		
	Tuttle	Engineering News Record	United States	Central Western	N. Y. State and Northern N. J.	Aberthaw	A. T. & T.	Hawthorne	Kearny	United States
					1913 Base					
1913	...	100	100	100	100					
1914	...	89	98	99	98	...	...	100	100	100
1915	...	93	102	104	100	...	...	85	...	96
1916	...	147	120	125	118	...	...	97	...	98
1917	...	181	147	154	146	...	...	119	...	115
1918	...	189	171	175	168	...	...	144	...	140
1919	...	198	210	217	201	...	...	147	...	155
1920	...	251	264	275	260	...	...	153	...	183
1921	...	202	207	216	213	...	...	214	...	238
1922	...	175	188	194	187	...	...	188	...	179
1923	...	214	210	219	216	...	...	157	...	176
1924	...	215	206	217	212	...	...	186	...	196
1925	...	207	200	211(b)	206(b)	...	...	181	205	196
1926	...	208	201(a)	212(b)	207(b)	...	...	177	196	199
[fol. 13992]						...	...	180	202	203
					1914 Base					
1914	100	100	100	100	100	100	100	100	100	100
1915	...	104	104	105	102	...	102	103	...	102
1916	...	165	122	126	120	...	121	126	...	120
1917	...	203	150	156	149	...	149	152	...	146
1918	...	212	174	177	171	...	166	155	...	161
1919	...	222	214	219	205	...	196	162	...	191
1920	228	282	269	278	265	...	251	227	...	248
1921	179	227	211	218	217	179	181	199	...	186
1922	170	197	192	196	191	170	176	166	...	183
1923	202	240	214	221	220	202	195	196	214	204
1924	202	242	210	219	216	198	193	192	217	204
1925	200	233	204	213(b)	210(b)	195	195	187	207	207
1926	205	234	205(a)	214(ab)	211(ab)	197	196	191	214	211

(a) Ten months.
(b) Per cent change from United States Index.
Western Electric Company, Inc., General Statistical Department.
Date Issued 1/19/27.
ARH:DK.

[fol. 13993] Notes on Index Numbers of Construction Costs

January 19, 1927

Tuttle.—On substantially the same basis as the Aberthaw index described below.

Engineering News Record index of construction.—Costs based upon the costs of steel (structural shapes, Pittsburgh base), cement (f. o. b. Chicago, exclusive of bags), lumber (Southern pine, New York base), and the average rates paid common labor in the building industry as obtained from the prevailing rates in 20 representative cities. From 1913 to 1920, inclusive, the rates paid common labor in the steel industry were used. The prices are weighted on the basis of the total production of steel, cement and lumber, and the total supply of common labor as follows: steel, 37.50 per cent; lumber, 17.10 per cent; cement, 7.14 per cent, and labor, 38 per cent.

American Appraisal Company.—Indices shown in the tabulation are based upon typical reinforced concrete factory buildings in leading cities. They are based on costs of excavation, walls, framing, floors, roof, and absolutely essential fixtures, such as stairways, stores, windows, and other items of a like nature. Actual quantities of materials and amounts of labor required were priced in detail on the basis of material costs, actual labor costs and reported labor efficiency prevailing in each city at each of the various dates. Indices for districts and the United States as a whole were equal-weighted averages of the indices for the cities.

Aberthaw Index of Building Costs.—Constructed by comparing actual cost of a reinforced concrete factory building erected by the Aberthaw Construction Company of Boston in 1914 with detailed estimates of what the same building would cost at various later dates, starting with 1/1/20. The major classes of items included: concrete, forms, reinforcements, excavation, sheeting, masonry, steel sash, doors, miscellaneous iron work, engineering plans and liability insurance. Costs as summarized for each class of items included labor, materials, plant, and overhead.

Labor costs were 33 per cent of the total in 1914, but are not segregated in the computations for later years. They [fol. 13994] are estimated to form 35-40 per cent of the total in May, 1921.

Costs for labor took into account labor efficiency, which

varies widely in an inverse relation to activity in the building trades.

Material prices are those which the company would have paid.

A. T. & T. General Building Costs.—Index intended to show fluctuation of costs for all types of buildings. A composite of price trends for labor, weighted 40 per cent, and materials, weighted 60 per cent. Labor component is constructed from the hourly wages of the following trades with relative weights (in hours) as indicated:

Carpenters	50	Plasterers	15
Bricklayers	25	Plumbers	10
Cement Finishers	16	Structural Iron Workers	10
Electricians	10	Building Laborers	200
Painters	10		

Up to September, 1920, the labor component is based on New York City alone, but afterwards on 11 cities of the United States.

The materials index is Group 6, Building Materials, of the U. S. Bureau of Labor Statistics, index of wholesale prices, in which the weights are quantities sold in 1919 and therefore cover all types of buildings.

General Statistical Department.—

(a) Index for the United States as a whole is a composite of price trends for labor weighted 40 per cent and materials weighted 60 per cent. Labor component is the index of average union wage rate in the building trades published by the U. S. Bureau of Labor Statistics as of May 15th of each year, modified to show monthly deviations on the basis of average wage rates in the principal cities. The materials component is the building materials index compiled by the U. S. Bureau of Labor Statistics as described above for the A. T. & T. index.

(b) Index for Hawthorne is also a composite of labor, 40 per cent, and materials, 60 per cent, but applies to a typical Hawthorne brick-faced, steel-framed building rather than to buildings in general. The labor component is based on Chicago wage rates, with the following weighting:

[fol. 13995]

Bricklayers	13
Carpenters	11
Electricians	7
Ironworkers	15
Laborers	36
Painters	5
Plasterers	5
Steamfitters	4
Plumbers	4
	100

The materials component is based on prices at Chicago or base points for the following items with the weights indicated:

Iron Pipe	7
Steel	35
Lime	1
Brick	6
Cement	4
Steel Billets	6
Sand	4
Terra Cotta	16
Plumbing	9
Lighting	8
Maple Lumber	4
	100

(c) Index for Kearny is constructed as for Chicago, except that New York wage rates and prices are used instead of Chicago wage rates and prices.

RWB:LK.
1/19/27.

Estimated Machinery Indices

On the Assumption of a 15 Per Cent Increase in the Efficiency of Productive Labor Used in the Manufacture of Machinery Made and Purchased

	15% Increase in Efficiency of Productive Labor
1926 Preliminary	208
1927	200
1928	188
[fol. 13996] 1929	193
1930	187
1931	181
1932	178
1933	175
1934	172
1935	169
1936	166
1937	163
1938	160
1939	157
1940	154
10-Year Moving Averages	
1926-1935	185
1927-1936	181
1928-1937	177
1929-1938	174
1930-1939	171
1931-1940	168

Index of 170 for 1940 as estimated (10/22/26) was based on 185 for Productive Labor (Wt. 5), 174 for Other Labor (Wt. 3), 125 for Materials (Wt. 2).

Above figure was obtained by allowing 15 per cent decrease in productive labor cost, reducing the index from 185 to 157.

Western Electric Company, Inc., General Statistical Department.

Date issued 11/24/26.

ARH:LK.

Basis for Estimate of Deflation Indices for Plant Account

1914 — 100

Hawthorne:	Buildings Materials	Labor	Composite
1926	178	207	189
Estimated per cent decline	-30%	-10%	...
Estimate for 1940 without adjustment for increased efficiency	125	186	150(a)
Adjustment for increased efficiency of labor	...	-20%	...
1940	125	149	135(b)

[fol. 13997] The above estimates are the bases for the series of estimates submitted October 22nd (a) and November 5, 1926 (b). It has been further assumed for the purpose of these estimates that the decline from 1930 to 1940 would be at a uniform annual rate. It is assumed that Kearny conditions will parallel those shown above for Hawthorne, with a gradual reduction of the difference between Hawthorne and Kearny.

	Machinery Made					Combined 2/3 Made 1/3 Purchased
	Productive Labor (52)	Other Labor (26)	Material (22)	Total Costs	Purchased	
1926	223	210	161	206	212	208
Estimated per cent decline.	-17%	-17%	-22% to -20%	...	...	...
1940	185	174	125–130	170	...	170

These estimates are the bases for the series of estimates submitted October 22nd. It has been further assumed for the purpose of these estimates that the decline from 1930 to 1940 would be at a uniform annual rate. As the indices for both "Made" and "Purchased" machinery are now moving somewhat together, and the components of both are essentially the same, it is estimated that the index for machinery purchased (and the combined index) will be the same as for machinery made.

	Small Tools Productive Labor (70)	Other Labor (20)	Steel Bars (10)	Combined
1926	218	210	173	212
Estimated per cent decline	-15%	-15%	-20%	...
1940	185	179	138	180

The bases for the estimates for small tools submitted October 25th follow machinery estimates quite closely, except that the decline is not so extensive because of the larger proportion of skilled labor included in the case of small tools and the fact that most (90%) of these tools are made within our own shops.

R. W. B.:D. K.

11/15/26.

Exhibit D29—Continued

[fol. 13998]

Machinery

	Made	Purchased	Combined
914	100	100	100
915	101	111	108
916	116	121	120
917	159	136	148
918	165	153	161
919	181	164	179
920	234	214	223
921	191	216	200
922	183	206	187
923	203	196	200
924	199	187	194
925	204	200	203
926*	206	212	208

* Preliminary.

	Estimates
927	200
928	190
929	195
930	190
931	185
932	184
933	183
934	182
935	180
936	178
937	176
938	174
939	172
940	170

10-Year Moving Averages

926-35	190
927-36	187
928-37	184
929-38	183
930-39	180
931-40	178

ARH:EA.
10/22/26.

Exhibit D-29—Continued

[fol. 13999]

Machinery "Made" Index

	Productive (1) Labor (51.5)	Other (2) Labor (26.2)	Material (3) (22.3)	Composi
1914	100	100	100	100
1915	100	101	102	101
1916	110	101	146	116
1917	129	107	290	159
1918	153	125	239	165
1919	188	145	208	181
1920	235	171	306	234
1921	211	169	170	191
1922	195	162	179	183
1923	218	174	203	203
1924	223	186	160	199
1925	228	204	160	204
1926*	223	210	161	206

* Preliminary.

(1) Union Scale of Wages for Machinists in Chicago—Monthly Labor Revi
September, 1924, p. 60.

(2) "Other" W. E. labor earnings index.

(3) #2 Foundry Iron—Chicago—"Metal Statistics."

Combination of Machinery "Made" and Purchased

1914=100

	Purchased			Made		
	Gross Additions Purchased A	Index B	Deflated Value A/B	Gross Additions A	Index B	Defl Va A
1914	.....	100	.....	.....	100	.....
1915	.....	111	.....	.....	101	.....
1916	$285,076	121	$233,947	$116,072	116	$100
1917	542,323	136	398,767	739,872	159	465
1918	324,384	153	212,016	629,933	165	381
1919	87,178	164	53,157	579,754	181	320
1920	1,102,285	214	515,086	897,283	234	383
1921	1,045,784	216	484,159	1,786,958	191	935
1922	314,284	206	152,565	1,596,856	183	872
1923	1,106,307	196	564,442	1,273,484	203	627
1924	1,854,483	187	991,702	3,042,683	199	1,528
1925	456,080	200	228,040	920,047	204	45
1926*	.....	212	.....	.....	206	....

	Gross Additions Made & Purchased	Deflated Value	Index
1916	$399,148	$334,009	120
1917	1,282,195	864,095	148
1918	954,317	593,794	161
1919	666,932	373,463	179
1920	1,999,568	898,540	223
1921	2,832,742	1,419,739	200
1922	1,911,140	1,025,164	187
1923	2,379,791	1,191,774	200
1924	4,897,166	2,520,688	194
1925	1,376,127	679,043	203
1926*	.....	.....	208 (2-3 made, l

* Preliminary.

ARH:EA.

10/25/26.

[fol. 14000] Deflation Indices for Plant Accounts (1914=100%) for Years 1927-1931 Inclusive

October 19, 1926.

Mr. T. K. Stevenson:

As per request, herewith our estimates of plant cost indices for the five year period 1927-1931, inclusive. These are estimates for the actual years stated. Within the next day we shall furnish you the ten year moving average estimates for the same period.

	Buildings		Machinery Made and Purchased	Furniture and Fixtures	Small Tools
	Hawthorne	Kearny			
1927.....	180	205	200	145	205
1928.....	175	195	190	140	200
1929.....	175	195	195	145	200
1930.....	175	190	190	145	200
1931.....	170	185	185	140	195

HB.

E. E. Lincoln.

1926 Values of Cost Indices for W. E. Plant Investment

October 15, 1926.

Mr. T. K. Stevenson:

Herewith estimates of indices for the year 1926. These figures may be subject to a slight change when complete data for the year are available.

Please note that all indices given you in this connection have been reduced to the 1914 base. Indices on building furnished you last year were on the 1913 base.

E. E. Lincoln.

M. S.
Att.

1926 Values of Cost Indices for W. E. Plant Investment
(1914 = 100)

Buildings—Hawthorne	189
Kearny	213
Machinery—Combined Index	208
Small Tools	212
Furniture and Fixtures	149

RWB/MLW.
10/16/26.

[fol. 14001] Deflation Indices for Plant Accounts

October 14, 1926.

Mr. T. K. Stevenson:

As per request, herewith our deflation indices for plant accounts. 1926 figures will be available shortly, if you desire them.

We have constructed a separate index for small tools, which we believe to be a little more accurate for the purpose than our machinery index.

It is our recommendation that no separate index be constructed for permanent fixtures, but that the building construction index be used for this purpose. Both Mr. Spurling and we agree that a permanent fixtures index would probably run a little lower on the average than our building index, but unless you consider the matter very urgent, we would scarcely be justified in going to the expense which would be necessary to develop a separate index for this purpose.

E. E. Lincoln.

M. S.
Att.

Deflation Indices for Plant Accounts, 1914 = 100.

	Buildings		Machinery		
	Hawthorne	Kearny	Purchased	Made	Combined
1914	100		100	100	100
1915	103		111	101	108
1916	126		121	116	120
1917	152		136	159	148
1918	155		153	165	161
1919	162		164	181	179
1920	227		214	234	223
1921	199		216	191	200
1922	166		206	183	187
1923	196		196	203	200
1924	192	217	187	199	194
1925	187	207	200	204	203

	Furniture & Fixtures	Small Tools
1914	100	100
1915	100	101
1916	104	118
[fol. 14002] 1917	114	139
1918	127	150
1919	146	173
1920	168	212
1921	152	186
1922	148	174
1923	149	205
1924	147	209
1925	147	212

Western Electric Company, Inc., General Statistical Department.

Date Issued—10/14/26.

ARH:MS.

(Here follow 2 pasters, side folios 14003 and 14004.)

[fol. 14003]

EXHIBIT D-30

Net Increase in Plant During 15 Year Period 1916 to 1930 Inclusive

(Dollars in Thousands)

	1915	1916		1917		1918		1919		1920		1921		1922	
	Cost at Dec. 31	Net Increase	Cost at Dec. 31	Net Increase	Cost at Dec. 31	Net Increase	Cost at Dec. 31	Net Increase	Cost at Dec. 31	Net Increase	Cost at Dec. 31	Net Increase	Cost at Dec. 31	Net Increase	Cost at Dec. 31
Land	$1,217	$(1)	$1,216	$3	$1,219	$1	$1,220	$230	$1,450	$(7)	$1,443	$8	$1,451	$10	$1,461
Buildings	6,632	255	6,887	743	7,630	293	7,923	601	8,524	1,892	10,416	1,267	11,683	517	12,200
Service Equipment	3,442	88	3,530	532	4,062	337	4,399	331	4,730	586	5,316	905	6,221	376	6,597
Machinery	4,259	274	4,533	1,373	5,906	786	6,692	386	7,078	2,091	9,169	2,800	11,969	1,669	13,638
Small Tools	2,288	568	2,856	1,131	3,987	1,023	5,010	883	5,893	1,794	7,687	1,820	9,507	284	9,791
Furniture and Fixtures	1,596	225	1,821	421	2,242	486	2,728	141	2,869	938	3,807	932	4,739	780	5,519
Total	19,434	1,409	20,843	4,203	25,046	2,926	27,972	2,572	30,544	7,294	37,888	7,732	45,570	3,636	49,206

	1923		1924		1925		1926		1927		1928		1929		1930	
	Net Increase	Cost at Dec. 31	Net Increase	Cost at Dec. 31	Net Increase	Cost at Dec. 31	Net Increase	Cost at Dec. 31	Net Increase	Cost at Dec. 31	Net Increase	Cost at Dec. 31	Net Increase	Cost at Dec. 31	Net Increase	Cost at Dec. 31
Land	$660	$2,121	$14	$2,135	$(43)	$2,092	$119	$2,211	$38	$2,249	$127	$2,376	$4,197	$6,573	$2,142	$8,715
Buildings	1,682	13,882	5,238	19,120	1,003	20,123	1,302	21,425	2,535	23,960	2,576	26,536	8,347	34,883	14,228(B)	49,111
Service Equipment	850	7,447	1,685	9,132	1,618	10,750	788	11,538	1,063	12,601	1,093	13,694	4,953	18,647	(3,383)(B)	15,264
Machinery	2,440	16,078	5,580	21,658	13	21,671	1,671	23,342	4,018	27,360	3,681	31,041	18,184	49,225	12,588	61,813
Small Tools	1,188	10,979	897	11,876	119	11,995	465	12,460	221	12,681	(342)	12,339	1,781	14,120	2,397	16,517
Furniture and Fixtures	1,340	6,859	1,017	7,876	(1,263)	6,613	619	7,232	656	7,888	552	8,440	2,676	11,116	1,282	12,398
Total	8,160	57,366	14,431	71,797	1,447(A)	73,244	4,964	78,208	8,531	86,739	7,687	94,426	40,138	134,564	29,254	163,818

A The net increase for 1925 excluding reduction for plant sold to Bell Telephone Laboratories, Incorporated, Graybar Electric Company, Inc., and American Forest Products Company was:

Land	$601
Buildings	2,626
Service Equipment	2,254
Machinery	1,726
Small Tools	189
Furniture and Fixtures	371
Total	7,767

B In 1930, service equipment which is an integral part of buildings was transferred to the buildings account, resulting in a net credit for that year under service equipment.

[fol. 14004]

EXHIBIT D-31

Details of Reserve for Depreciation of Plant During 15 Year Period 1916 to 1930 Inclusive Showing Gross Additions to Reserve and Write-O

(Dollars in Thousands)

	1915		1916					1917					
	Reserve at Dec. 31	% of Cost	Gross Additions	% of Cost	Write Off	% of Cost	Reserve at Dec. 31	% of Cost	Gross Additions	% of Cost	Write Off	% of Cost	Reserve at Dec. 31	% Co
Buildings	$3,003	45.3	$256	3.7	$18	.3	$3,241	47.1	$277	3.6	8	.1	$3,510	46
Service Equipment	2,105	61.2	157	4.4	46	1.3	2,216	62.8	214	5.3	62	1.5	2,368	58
Machinery	3,020	70.9	385	8.5	219	4.8	3,186	70.3	631	10.7	53	.9	3,764	63
Small Tools	2,280	99.7	657	23.0	81	2.8	2,856	100.0	1,120	28.1	(11)	(.3)	3,987	100
Furniture and Fixtures	1,580	99.0	377	20.7	136	7.5	1,821	100.0	480	21.4	60	2.7	2,241	100
Total	11,988	61.7	1,832	8.8	500	2.4	13,320	63.9	2,722(V)	10.9	172	.7	15,870(W)	63

	1919						1920					
	Gross Additions	% of Cost	Write Off	% of Cost	Reserve at Dec. 31	% of Cost	Gross Additions	% of Cost	Write Off	% of Cost	Reserve at Dec. 31	%
Buildings	$293	3.4	$13	.2	$4,075	47.8	$309	3.0	$15	.1	$4,369	41
Service Equipment	210	4.4	(51)	(1.1)	2,823	59.7	263	4.9	25	.5	3,061	57
Machinery	542	7.7	267	3.8	4,604	65.0	645	7.0	152	1.7	5,097	55
Small Tools	1,130	19.2	247	4.2	5,893	100.0	1,937	25.2	143	1.9	7,687	100
Furniture and Fixtures	299	10.4	158	5.5	2,869	100.0	1,053	27.7	115	3.0	3,807	100
Total	2,474	8.1	634	2.1	20,264	66.4	4,207	11.1	450	1.2	24,021	63

	1922						1923					
	Gross Additions	% of Cost	Write Off	% of Cost	Reserve at Dec. 31	% of Cost	Gross Additions	% of Cost	Write Off	% of Cost	Reserve at Dec. 31	%
Buildings	$446	3.7	$44	.4	$5,114	41.9	$364	2.6	$18	.1	$5,460	39
Service Equipment	315	4.8	31	.5	3,574	54.2	302	4.1	20	.3	3,856	51
Machinery	890	6.5	133	1.0	6,433	47.2	1,308	8.1	231	1.4	7,510	46
Small Tools	1,029	10.5	745	7.6	9,791	100.0	1,346	12.3	358	3.3	10,779	98
Furniture and Fixtures	900	16.3	120	2.2	5,519	100.0	1,407	20.5	127	1.9	6,799	99
Total	3,580	7.3	1,073	2.2	30,431	61.8	4,727	8.2	754	1.3	34,404	60

	1925						1926					
	Gross Additions	% of Cost	Write Off	% of Cost	Reserve at Dec. 31	% of Cost	Gross Additions	% of Cost	Write Off	% of Cost	Reserve at Dec. 31	%
Buildings	$541	2.7	$1,304	6.5	$5,124	25.5	$631	2.9	$101	.5	$5,653	26
Service Equipment	555	5.2	727	6.8	3,945	36.7	514	4.5	163	1.4	4,297	37
Machinery	1,880	8.7	1,055	4.9	10,161	46.9	1,734	7.4	919	3.9	10,976	47
Small Tools	1,638	13.7	1,248	10.4	11,677	97.3	1,298	10.4	924	7.4	12,051	96
Furniture and Fixtures	838	12.7	2,009	30.4	6,533	98.8	923	12.8	346	4.8	7,110	98
Total	5,452	7.4	6,343(S)	8.7	37,440	51.1	5,100	6.5	2,453	3.1	40,087	51

	1928						1929					
	Gross Additions	% of Cost	Write Off	% of Cost	Reserve at Dec. 31	% of Cost	Gross Additions	% of Cost	Write Off	% of Cost	Reserve at Dec. 31	%
Buildings	$848	3.2	$304	1.1	$6,632	25.0	$909	2.6	$247	.7	$7,294	20
Service Equipment	609	4.4	324	2.4	5,052	36.9	669	3.6	406	2.2	5,315	28
Machinery	4,745	15.3	969	3.1	16,126	52.0	3,439	7.0	972	2.0	18,593	37
Small Tools	2,018	16.4	1,806	14.6	12,339	100.0	4,381	31.0	2,600	18.4	14,120	100
Furniture and Fixtures	1,889	16.5	703	8.3	8,440	100.0	3,396	30.5	720	6.5	11,116	100
Total	9,609	10.2	4,106	4.3	48,589	51.5	12,794	9.5	4,945	3.7	56,438	4

Above figures for the years 1924 to 1930 inclusive, exclude extraordinary reserve against plant built up as follows:

	1924	1925	1926	1927	Total
Buildings	$1,073	$646	$1,055	$716	$3,490
Service Equipment	250	310	519	235	1,314

Small Tools	2,280	99.7	657	23.0	81	2.8	2,856	100.0	1,126	28.1	(11)	(.3)	2,241	100
Furniture and Fixtures	1,580	99.0	377	20.7	136	7.5	1,821	100.0	480	21.4	60	2.7		
Total	11,988	61.7	1,832	8.8	500	2.4	13,320	63.9	2,722(V)	10.9	172	.7	15,870(W)	63
	1919								1920					
Buildings	$293	3.4	$13	.2	$4,075	47.8	$309	3.0	$15	.1	$4,369	41
Service Equipment	210	4.4	(51)	(1.1)	2,823	59.7	263	4.9	25	.5	3,061	57
Machinery	542	7.7	267	3.8	4,604	65.0	645	7.0	152	1.7	5,097	55
Small Tools	1,130	19.2	247	4.2	5,893	100.0	1,937	25.2	143	1.9	7,687	100
Furniture and Fixtures	299	10.4	158	5.5	2,869	100.0	1,053	27.7	115	3.0	3,807	100
Total	2,474	8.1	634	2.1	20,264	66.4	4,207	11.1	450	1.2	24,021	63
	1922								1923					
Buildings	$446	3.7	$44	.4	$5,114	41.9	$364	2.6	$18	.1	$5,460	39
Service Equipment	315	4.8	31	.5	3,574	54.2	302	4.1	20	.3	3,856	51
Machinery	890	6.5	133	1.0	6,433	47.2	1,308	8.1	231	1.4	7,510	46
Small Tools	1,029	10.5	745	7.6	9,791	100.0	1,346	12.3	358	3.3	10,779	99
Furniture and Fixtures	900	16.3	126	2.2	5,519	100.0	1,407	20.5	127	1.9	6,799	99
Total	3,580	7.3	1,073	2.2	30,431	61.8	4,727	8.2	754	1.3	34,404	60
	1925								1926					
Buildings	$541	2.7	$1,304	6.5	$5,124	25.5	$631	2.9	$101	.5	$5,653	2
Service Equipment	555	5.2	727	6.8	3,945	36.7	514	4.5	163	1.4	4,297	3
Machinery	1,880	8.7	1,055	4.9	10,161	46.9	1,734	7.4	919	3.9	10,976	4
Small Tools	1,638	13.7	1,248	10.4	11,677	97.3	1,298	10.4	924	7.4	12,051	9
Furniture and Fixtures	838	12.7	2,009	30.4	6,533	98.8	923	12.8	346	4.8	7,110	9
Total	5,452	7.4	6,343(S)	8.7	37,440	51.1	5,100	6.5	2,453	3.1	40,087	5
	1928								1929					
Buildings	$848	3.2	$304	1.1	$6,632	25.0	$909	2.6	$247	.7	$7,294	
Service Equipment	609	4.4	324	2.4	5,052	36.9	669	3.6	406	2.2	5,315	
Machinery	4,745	15.3	969	3.1	16,126	52.0	3,439	7.0	972	2.0	18,593	
Small Tools	2,018	16.4	1,806	14.6	12,339	100.0	4,381	31.0	2,600	18.4	14,120	1
Furniture and Fixtures	1,389	16.5	703	8.3	8,440	100.0	3,396	30.5	720	6.5	11,116	1
Total	9,609	10.2	4,106	4.3	48,589	51.5	12,794	9.5	4,945	3.7	56,438	

Above figures for the years 1924 to 1930 inclusive, exclude extraordinary reserve against plant built up as follows:

	1924	1925	1926	1927	Total
Buildings	$1,073	$646	$1,055	$716	$3,490
Service Equipment	250	310	519	235	1,314
Machinery	837	1,212	528	852	3,429
Total	2,160	2,168	2,102	1,803	8,233

S The write-off for 1925 excluding reserve for depreciation of plant sold to Bell Telephone Laboratories, Incorporated, Graybar Electric Company, Inc., and American Forest Products Company was:

	Amount	Per Cent
Buildings	$163	.8
Service Equipment	175	1.6
Machinery	334	1.5
Small Tools	1,179	9.8
Furniture and Fixtures	383	5.8
	2,234	3.1

U In 1930, service equipment which is an integral part of buildings was transferred to the buildings account, resulting in an increase in the reserve applicable to buildings with a corresponding decrease in service equipment reserve.

V Does not include reserve of $415,000 for excess war cost which was cancelled in following year.

W Write-offs represent retirements.

EXHIBIT D-31

erve for Depreciation of Plant During 15 Year Period 1916 to 1930 Inclusive Showing Gross Additions to Reserve and Write-Offs (W)

(Dollars in Thousands)

1916						1917						1918					
Gross Additions	% of Cost	Write Off	% of Cost	Reserve at Dec. 31	% of Cost	Gross Additions	% of Cost	Write Off	% of Cost	Reserve at Dec. 31	% of Cost	Gross Additions	% of Cost	Write Off	% of Cost	Reserve at Dec. 31	% of Cost
$256	3.7	$18	.3	$3,241	47.1	$277	3.6	8	.1	$3,510	46.0	$290	3.7	$5	.1	$3,795	47.9
157	4.4	46	1.3	2,216	62.8	214	5.3	62	1.5	2,368	58.3	218	5.0	24	.5	2,562	58.2
385	8.5	219	4.8	3,186	70.3	631	10.7	53	.9	3,764	63.7	659	9.8	94	1.4	4,329	64.7
657	23.0	81	2.8	2,856	100.0	1,120	28.1	(11)	(.3)	3,987	100.0	1,137	22.7	114	2.3	5,010	100.0
377	20.7	136	7.5	1,821	100.0	480	21.4	60	2.7	2,241	100.0	530	19.4	43	1.6	2,728	100.0
1,832	8.8	500	2.4	13,320	63.9	2,722(V)	10.9	172	.7	15,870(W)	63.4	2,834	10.1	280	1.0	18,424	65.9
		1919						1920						1921			
$293	3.4	$13	.2	$4,075	47.8	$309	3.0	$15	.1	$4,369	41.9	1358	3.1	$15	.1	$4,712	40.3
210	4.4	(51)	(1.1)	2,823	59.7	263	4.9	25	.5	3,061	57.6	254	4.1	25	.4	3,290	52.9
542	7.7	267	3.8	4,604	65.0	645	7.0	152	1.7	5,097	55.6	758	6.3	179	1.5	5,676	47.4
1,130	19.2	247	4.2	5,893	100.0	1,937	25.2	143	1.9	7,687	100.0	1,912	20.1	92	1.0	9,507	100.0
299	10.4	158	5.5	2,869	100.0	1,053	27.7	115	3.0	3,807	100.0	1,111	23.4	179	3.8	4,739	100.0
2,474	8.1	634	2.1	20,264	66.4	4,207	11.1	450	1.2	24,021	63.5	4,393	9.6	490	1.1	27,924	61.3
		1922						1923						1924			
$446	3.7	$44	.4	$5,114	41.9	$364	2.6	$18	.1	$5,460	39.3	$482	2.5	$55	.3	$5,887	30.8
315	4.8	31	.5	3,574	54.2	302	4.1	20	.3	3,856	51.8	455	5.0	194	2.1	4,117	45.1
890	6.5	133	1.0	6,433	47.2	1,308	8.1	231	1.4	7,510	46.7	2,065	9.5	239	1.1	9,336	43.1
1,029	10.5	745	7.6	9,791	100.0	1,346	12.3	358	3.3	10,779	98.2	1,532	12.9	1,024	8.6	11,287	95.0
900	16.3	120	2.2	5,519	100.0	1,407	20.5	127	1.9	6,799	99.1	1,431	18.2	526	6.7	7,704	97.8
3,580	7.3	1,073	2.2	30,431	61.8	4,727	8.2	754	1.3	34,404	60.0	5,965	8.3	2,038	2.8	38,331	53.4
		1925						1926						1927			
$541	2.7	$1,304	6.5	$5,124	25.5	$631	2.9	$101	.5	$5,653	26.4	$765	3.2	$330	1.4	$6,088	25.4
555	5.2	727	6.8	3,945	36.7	514	4.5	163	1.4	4,297	37.2	576	4.6	106	.8	4,767	37.8
1,880	8.7	1,055	4.9	10,161	46.9	1,734	7.4	919	3.9	10,976	47.0	1,891	6.9	517	1.9	12,350	45.1
1,638	13.7	1,248	10.4	11,677	97.3	1,298	10.4	924	7.4	12,051	96.7	1,435	11.3	1,359	10.7	12,127	95.6
838	12.7	2,009	30.4	6,533	98.8	923	12.8	346	4.8	7,110	98.3	978	12.4	334	4.2	7,754	98.3
5,452	7.4	6,343(S)	8.7	37,440	51.1	5,100	6.5	2,453	3.1	40,087	51.3	5,645	6.5	2,646	3.1	43,086	49.7
		1928						1929						1930			
$848	3.2	$304	1.1	$6,632	25.0	$909	2.6	$247	.7	$7,294	20.9	$1,487	3.0	$(2,109)(U)	(4.3)	$10,890	22.2
609	4.4	324	2.4	5,052	36.9	669	3.6	406	2.2	5,315	28.5	640	4.2	2,386(U)	15.6	3,569	23.4
4,745	15.3	969	3.1	16,126	52.0	3,439	7.0	972	2.0	18,593	37.8	5,388	8.7	784	1.3	23,197	37.5
2,018	16.4	1,806	14.6	12,339	100.0	4,381	31.0	2,600	18.4	14,120	100.0	3,713	22.5	1,316	8.0	16,517	100.0
1,389	16.5	703	8.3	8,440	100.0	3,396	30.5	720	6.5	11,116	100.0	1,908	15.4	626	5.0	12,398	100.0
9,609	10.2	4,106	4.3	48,589	51.5	12,794	9.5	4,945	3.7	56,438	41.9	13,136	8.0	3,003	1.8	66,571	40.6

ary reserve against plant built up as follows:

	1925	1926	1927	Total
73	$646	$1,055	$716	$3,490
50	310	519	235	1,314
87	1,212	528	852	3,429
60	2,168	2,102	1,803	8,233

d to Bell Telephone Laboratories, Incorporated, Graybar Electric

	Amount	Per Cent
	$163	.8

Study of Plant Valuations
(Expressed in Thousands of Dollars)

	a Total	b Grounds	c Buildings	d Permanent Fixtures	e Machinery	f Small Tool	g Patterns	h Furniture and Fixtures	
Total Face Value, Dec. 31, 1926	$78,208	$2,211	$21,425	$11,538	$23,342	$12,017	$444	$7,231	1
(Estimated) Dec. 31, 1927	90,918	2,211	25,684	12,701	28,416	13,160	547	8,199	2
Average	84,563	2,211	23,554	12,199	25,879	12,589	496	7,715	3
Adjustments:									
To cover appreciation in Value of Ground to Appraised Value	1,201	1,201	.....	.....	.....	.....	.....	.....	4
Interest on Investment during construction (1 yr. at 6%)	2,140	.....	1,413	727	.....	.....	.....	.....	5
Excessive Costs written off Face Value at Kearny	372	.....	251	121	.....	.....	.....	.....	6
Deduct Norfolk Grounds	205*	205*	.....	.....	.....	.....	.....	.....	7
To Raise Plant to Replacement Cost	7,185	.....	3,071	1,920	2,194	.....	.....	.....	8
Average Revised Value	95,256	3,207	28,289	14,487	28,073	12,589	496	7,715	9
Observed Depreciation:									
Rates	.....	.....	5%	5%	10%	33 1-3%	33 1-3%	10%	10
Amount	10,098	.....	1,414	744	2,807	4,195	165	772	11
Average Revised Fair Value	85,158	3,207	26,875	14,143	25,266	8,393	331	6,493	12
Adjustment for Difference Between Average Based on Investment:									
a. At Beginning and End of Year—Above	$84,563								
b. On Monthly Balances	83,444								
	1,119								
Revised Average Investment	84,039								

*=Decrease.

July 1, 1927.

8885

Exhibit D-32—Sheet 2

Exhibit Statement of Hawthorne and Kearny Plant

Raised to 1927 Index

Hawthorne

	a	b	c	d	e	f	g	h	i	
	Buildings			Permanent Fixtures			Machinery			
	Face Value of Additions	Cost Index	1927 Level (175)	Face Value of Additions	Cost Index	1927 Level (170)	Face Value of Additions	Cost Index	1927 Level (200)	
Prior to 1914	$4,389	100	$7,681	$2,310	100	$3,927	$1,308	100	$2,616	1
1914	77	100	135	100	100	170	184	100	368	2
1915	50	111	79	75	101	126	158	108	293	3
1916	239	144	290	73	115	108	241	120	402	4
1917	744	153	851	528	140	641	642	148	868	5
1918	527	166	856	350	153	389	736	161	914	6
1919	533	161	579	261	158	281	231	179	258	7
1920	1,746	207	1,476	510	177	490	1,813	223	1,626	8
1921	1,270	177	1,256	916	167	932	2,750	200	2,750	9
1922	527	156	591	362	146	422	1,887	187	2,018	10
1923	1,012	181	987	659	164	683	1,480	200	1,480	11
1924	442	188	411	724	169	728	3,249	194	3,349	12
1925	202	189	187	204	175	198	1,317	203	1,298	13
1926	126	184	120	79	178	75	1,493	208	1,436	14
	11,893	...	15,199	7,151	...	9,170	17,489	...	19,676	15
Increase	.....	...	3,306	.....	...	2,019	.....	..	2,187	16
				Kearny						
	.....	...	(200)	.....	...	(175)	.....	...	(200)	..
1923	470	194	485	119	168	124	757	200	757	17
1924	4,135	206	4,015	1,002	178	985	1,690	194	1,742	18
1925	3,061	204	3,001	2,108	179	2,061	907	203	894	19
1926	1,463	210	1,393	815	184	775	833	208	801	20
	9,129		8,894	4,044	..	3,945	4,187		4,194	21
Increase	.....	...	235*	.....	...	99*	.....	...	7	22
Net Change	.....	...	8,071	.....	...	1,920	.....	...	2,194	23

* = Decrease

[fol. 14007] DEF'T'S EX. D-33

Explanation of Reserve Carried on the Western Electric Company Books as of December 31, 1926, Against Investment in the Stock of the Graybar Electric Company, Inc.

1. The permanent investment of the Western Electric Company as of 12/31/25 in the Supply Department was	$7,500,000
When this Department was sold to the Graybar Electric Company, a value was placed on the business as represented by the capital stock of	15,000,000
and an asset set up representing good will amounting to	7,500,000
This revaluation of the assets sold to the Graybar Electric Company was not, however, taken in the profits of the Western Electric Company, but was set up as a reserve against the capital stock of the Graybar Electric Company held by the Western Electric Company in the amount of this good will	7,500,000
2. Before selling certain assets of the Supply Department to the Graybar Electric Company, the following revaluations were made, the result of which revaluations was not taken in the profits of the Western Electric Company, but set up as a reserve against the Western Electric Company holdings in the capital stock of the Graybar Electric Company.	
(a) Plant	414,000
The Supply Department carried as of 12/31/25 plant on their books at	$897,000
with a depreciation reserve of	857,000
or a net value of	$40,000
Before selling this plant to the Graybar Electric Company it was revalued through the depreciation reserve and appeared on the books of the Graybar Electric Company as of 1/1/26, as follows:	
Cost	897,000
Depreciation reserve	443,000
Net value	454,000
The book profit resulting from this revaluation was set up as a reserve against the Graybar stock held by the Western Electric Company.	
(b) Investments	119,000
At 12/31/25 there was on the books of the Supply Department a reserve of 100% against receivables from the Habirshaw Cable and Wire Corporation. At date of sale these receivables were valued at $119,000.	
(c) Merchandise inventories	$267,000
The merchandise inventory as shown by the books of the Supply Department as of 12/31/25 included merchandise which had been purchased from the Western Electric Company, which was valued at the Supply Department's cost; that is, Western Electric Company's selling prices. The gross profit to the Western Electric Company on the sale of such merchandise remaining on the Supply Department's inventories was considered as a reserve against the Western Electric Company's holdings in the Graybar Electric Company after the sale.	
Total reserve against stock of the Graybar Electric Company	$8,300,000

[fol. 14006]

EXHIBIT D-34

Statement of Assets and Liabilities of the Graybar Electric Company, Inc.

(Dollars in Thousands)

	After Close of Business 12/31/25 (1/1/26)	At 12/31/26	At 12/31/27	At 12/31/28	
Assets:					
Plant	$897	$1,167	$1,306	$1,344	1
Investments	241	655	644	667	2
Merchandise, Material and Supplies	4,490	4,423	3,917	4,482	3
Receivables	8,669	8,331	6,903	8,490	4
Cash	1,441	1,507	1,983	1,920	5
Good Will	7,500	7,500	7,500	3,000	6
Total Assets	23,238	23,583	22,253	19,903	7
Liabilities:					
Capital Stock	15,000(R)	15,000(R)	15,000(R)	9,000(S)	8
Surplus	0	1,283	1,223	3,729	9
Current Liabilities:					
Bills Payable, Pension Fund Trustee	0	0	174	451	10
Other Payables	6,035	4,488	4,663	6,123	11
Trade Acceptances and Bills Receivable Discounted	596	533	.....	.....	12
Taxes and Accruals not Due	1,164	1,171	.....	.....	13
Total Current Liabilities (10 to 13)	7,795	6,192	4,837	6,574	14
Reserve for Employees' Benefit Fund and Self-Insured Risks	0	134	135	4	15
Reserve for Depreciation on Plant and Equipment	443	974	1,058	596	16
Total Liabilities	23,238	23,583	22,253	19,903	17

(R) Capital—150,000 shares at $100.00 par value. $15,000,000

(S) Capital—Common Stock (30,000 shares ar $100.00 par value) 6,000,000

Preferred Stock (60,000) shares at "

Total $9,000,000

NOTE.—This Company was sold December 31, 1928, to the Graybar Management Corporation for $9,000,000. Graybar Management Corporation stockholders of common stock must be employees of Graybar Electric Company, Inc.

[fol. 14009] DEF'T'S EX. D-35

Book Value and Depreciation Reserve on Plant on the Books of the Engineering Department of the Western Electric Company as of 12/31/24 Compared with The Book Value and Depreciation Reserve as Shown by the Books of the Bell Telephone Laboratories as of 1/1/25.

	On the Books of the W. E. Co. 12/31/24	On the Books of the B. T. L. 1/1/25	Difference
Book Value:			
Permanent Plant	$2,629,170	$2,650,000	$20,830+
Machinery	1,510,857	1,510,857	0
Small Tools	68,178	68,178	0
Furniture & Fixtures	812,934	812,934	0
Plant in Process	209,906	209,906	0
Total	$5,231,045	$5,251,875	$20,830+
Depreciation Reserve:			
Permanent Plant	1,627,616	0	$1,627,616−
Machinery	679,885	679,885	0−
Small Tools	68,178	51,134	17,044−
Furniture & Fixtures	812,934	365,820	447,114
Plant in Process	0	0	0
Total	$3,188,613	$1,096,839	$2,091,774−
Net Value:			
Permanent Plant	$1,001,554	$2,650,000	$1,648,446+
Machinery	830,972	830,972	0
Small Tools	0	17,044	17,044+
Furniture & Fixtures	0	447,114	447,114+
Plant in Process	209,906	209,906	0
Total	$2,042,452	$4,155,036	$2,112,604+

10/27/31.

NOTE.—Above is complete copy of statement (carbon copy) received from Mr. Meeson for examination in reply to Mr. Wray's letter of Dec. 18, 1931, to Mr. Gregory.

EEH B. 1-14-32.

DEF'T'S EX. D-36

Explanation of Reserve on the Books of the Western Electric Company as of December 31, 1926, Against Demand Notes of the Bell Telephone Laboratories, Inc.

On December 31, 1924, plant on the books of the Engineering Department of the Western Electric Company was sold to the Bell Telephone Laboratories, Inc., for $4,155,036 arrived at as follows:

[fol. 14010] Permanent plant on the basis of an appraisal of this property as a going business by Horace S. Ely and Company	$2,650,000
Machinery at Western Electric Company's depreciated book cost	830,972

Small tools at 25% of the book cost to the Western Electric Company	17,044	
Furniture and fixtures at 55% of the book cost to the Western Electric Company	447,114	
Plant in process at book cost to the Western Electric Company	209,906	
Total		4,155,03
Depreciated book cost as shown by the books of the Western Electric Company at 12/31/24 was		2,042,43
Book profit on the sale of plant to the Bell Telephone Laboratories, Inc.		2,112,60

Since the capital stock of the Bell Telephone Labora tories, Inc., amounting to $100,000 was purchased 50% b the Western Electric Company and 50% by the A. T. & T Co., the above book profit was credited as follows on th books of the Western Electric Company:

50% to the reserve against the notes of the Bell Telephone Laboratories, Inc.	1,056,30
50% to the reserve for contingencies	1,056,30
Total	$2,112,60

In 1927 both of these reserves were transferred to sur plus.

EXHIBIT D-38

Classification of Customers

Classes A and B—Companies under Supply Contract.
A—Associated Bell Companies.
B—Non-Associated Contract Companies.
Class C—Non-Associated Non-Contract Telephone Com panies.
C-1—Connecting.
C-2—Independent Non-Competing.
C-3—Independent Competing.

[fol. 14011]

Class D—Other Domestic Customers.
D-4—Central Stations and Electric Railways.
D-5—Industrial Plants and Other Large Users.
D-6—Electrical Contractors and Dealers.
D-61—Other Dealers.
D-7—Steam Carriers.
D-8—Miscellaneous.
D-9—Government (Except Government Department New York).

Class E—Export. (Sales to International Western Electric Company, Incorporated, Delaware).
Class G—Government Sales. (Orders taken through Government Department, at New York).
ERPI.

EXHIBIT D-39

Conditions Under Which We Extend the Benefits of the Standard Supply Contract to Bell Connecting Companies

The conditions under which we extend the benefits of the Standard Supply Contract to Bell Connecting Companies are as follows:

1. The Licensee Telephone Company to which the Telephone Company desiring such benefits is a subsidiary or a sub-licensee, should request the Western Electric Company, in writing, to extend such benefits. The form of letter required together with the form of our acceptance is attached.

2. The Telephone Company for which such benefits are requested should be owned or controlled by the Licensee Company.

3. The Telephone Company for which such benefits are requested should have a sub-license agreement with the Licensee Company or the volume of purchases should be sufficiently large to justify the Western Electric Company handling the business on the low basis of prices enjoyed by the Licensee Companies, taking into consideration the fact that the account carries no credit risk.

4. The Licensee Company must guarantee payment of the account of the subsidiary or sub-licensee company.

[fol. 14012] It is the general intent of the Contract with the Licensee Companies that their purchases under it should be for their own use, and the same condition applies to subsidiary or sub-licensee Telephone Companies.

* Present Class B companies include two companies not owned or controlled by licensee companies, but which have license agreements with licensee companies.

Def't's Ex. D-41

Schedule B

Analysis of Sales to Bell Customers, 1916 to 1930

(Dollars expressed in thousands)

	a	b	c	d	e
	Total Sales to Bell Customers (Schedule A)	Sales to Associated Companies	Sales to Western Union Telegraph Company	Sales to Non-Associated Companies (B Cas)	Sales to Employes
1916	$73,915	$66,074	$6,875	$966	(Sales
1917	104,682	94,174	9,337	1,171	to
1918	79,217	67,860	10,514	843	Emp.
1919	80,361	69,982	8,837	1,542	Inc. in
1920	130,712	113,517	14,076	3,119	Sales
1921	142,885	135,560	4,533	2,792	to
1922	159,957	158,614	.....	1,343	Non-
1923	188,159	185,969	.....	2,190	Assoc.
1924	233,300	229,352	.....	3,948	Comp.
1925	226,700	221,534	.....	5,166	Col.
1926	247,203	240,732	.....	6,471	d.
1927	241,062	237,253	.....	3,303	$506
1928	267,808	264,586	.....	3,000	222
1929	372,384	366,902	.....	5,339	143
1930	338,830	334,999	.....	3,831	Inc. in Non-Bell
Total	$2,887,175	$2,787,108	$54,172	$45,024	$871

EXHIBIT D–42

Schedule C

Analysis of Sales to Non-Bell Customers, 1916 to 1930
(Dollars Expressed in Thousands)

	a Total Sales to Non-Bell Customers (Schedule A)	b Domestic Customers (of Supply Dept.)	c	d	e	f	g	h	i
					Distributors				
			Export and Foreign	U. S. Government	Graybar Elec. Co.	Int. Standard Elec. Co.	Northern Elec. Co.	Elec. Research Products	Other Customers (V)
1916	$33,072	$26,293	$6,779	$.....	xx	.....	.....	xx	xx
1917	45,658	33,676	7,879	4,103	xx	.....	.....	xx	xx
1918	66,009	39,619	4,565	21,825	xx	.....	.....	xx	xx
1919	55,361	43,941	5,430	5,990	xx			xx	xx
1920	75,400	69,385	5,185	830	xx			xx	xx
1921	46,880	40,178	6,702	.....	xx			xx	xx
1922	50,984	48,997	1,987	.....	xx			xx	xx
1923	67,018	63,523	3,495	.....	xx	(Included in Export and Foreign Customers Col. c.)		xx	xx
1924	64,981	60,708	4,273	.....	xx			xx	xx
1925	71,029	67,585	3,444	.....	xx			xx	xx
1926	15,902	.....	.....	.....	$9,908	$2,48	$1,084	.....	$2,463
1927	12,662	xx	.....	.....	6,817	1,953	1,373	$2,519	xx
1928	20,123	xx	.....	.....	7,186	1,780	1,846	9,311	xx
1929	38,566	xx	.....	.....	8,167	1,833	3,458	25,108	xx
1930	22,648	xx	.....	.....	7,054	1,272	2,986	10,518	818
Total	$686,293	$493,905	$49,739	$32,748	$39,132	$9,286	$10,747	$47,456	$3,280

(V) 1926 "Other Customers" includes Western Union Telegraph Company, Vitaphone Co., Victor Talking Machine Co., Inc., Columbia Phonograph Co., Inc., U. S. Government. 1930 "Other Customers" includes Aviation Companies and Employees.

[fols. 14014-14015] EXHIBIT D-46

Basis of Valuation of Inventory

1. Primary Valuation:

a. Raw Materials. Figured costs.

b. Manufactured and semi-manufactured merchandise. Figured costs.

c. Not W. E. manufactures per W. E. specifications and other not W. E. manufactures. Actual cost.

Figured costs represent standard costs.

2. Reductions to arrive at net inventory valuation.

a. Raw Materials. Figured costs are reduced to actual cost or market value whichever is lower.

b. Manufactured and Semi-manufactured merchandise. Figured costs are reduced to average actual costs if lower.

Deductions are made from the primary valuation of manufactured and semi-manufactured merchandise in arriving at net inventory valuation as follows:

Manufacturing development.
Vacation and enforced absences.
Disability benefits and accrued service pensions.
Overtime and minimum earnings allowance.
Cost and rearrangement of general moves.
Preliminary packing.
Errors in figuring and stock losses.

c. The valuation of raw materials and manufactured and semi-manufactured merchandise, except work in process is reduced as follows:

In poor physical condition. Items are individually reduced to scrap or salvage value or by the cost of repairing or converting.

In good physical condition. Items are reduced by the application of percentages to provide for losses which, based on experience, may be incurred on items before they are used or disposed of. The percentage to be applied in each case is governed by the number of months stock on hand over normal.

[fol. 14016] EXHIBIT D-48

Sales of Apparatus and Equipment Designed Entirely or in Part by Western Electric Company, Incorporated, but Manufactured by Others

Included in Sales of Manufactures to Bell Companies on Exhibit #31004

1921 to 1930, Inclusive (A)

1921	$3,256,000
1922	2,903,000
1923	3,049,000
1924	13,339,000
1925	12,851,000
1926	14,138,000
1927	11,966,000
1928	10,224,000
1929	13,460,000
1930	17,066,000
Total	$102,252,000

A. Information prior to 1921 not available.

[fol. 14017] Ex. D-49

Graybar Electric Co. Sales and Estimated Net Profits on Western Electric Manufactures, 1926-1928

(Dollars in Thousands)

	1926	1927	1928
Sales	$12,172	$9,020	$9,789
Gross Profits	2,748	2,345	2,428
Expenses	1,544	1,352	1,331
Net Profits	1,204	993	1,097
% Net Profits of Sales	9.9%	11.0%	11.2%

EXHIBIT D-50

Graybar Electric Company, Inc.

Earnings for the Years 1926, 1927 and 1928

(Dollars in Thousands)

	Year ended Dec. 31, 1926	Year ended Dec. 31, 1927	Year ended Dec. 31, 1928
Sales	$76,588	68,712	72,702
Gross profits	$11,797	10,898	11,515
Other income	123	131	152
Total	$11,920	11,029	11,667
General expense	$2,943	2,133	1,730
Distributing expense	7,177	6,844	7,067
Federal taxes	319	288	318
Reserve for employees' pensions	133	....	....
Total Expenses	$10,572	9,265	9,115
[fol. 14018]			
Net profits available for interest and dividends	1,348	1,764	2,552
Interest deductions	65	24	41
Net profits available for dividends	$1,283	1,740	2,511
Dividends paid	.....	1,800	2,010
Undivided profits	$1,283	(60)	150

Change in Surplus Account

Balance in surplus 1/1/26	$0
Undivided profits 1926	1,283
Balance 12/31/26	$1,283
Undivided profits 1927	(60)
Balance in surplus 12/31/27	1,223
Undivided profits 1928	501
Reduction in capital stock (increase in surplus)	6,000
Goodwill retired	(4,500)
Revaluation of plant	505
Balance in surplus 12/31/28	$3,729

EXHIBIT D-51

Graybar Electric Company, Inc.

Statement of Assets and Liabilities, 1926–1928

(Dollars in Thousands)

	After close of business Dec. 31, 1925 (1/1/26)	At Dec. 31, 1926	At Dec. 31, 1927	At Dec. 31, 1928
Assets:				
Plant	$897	1,167	1,306	1,344
Investments	241	655	644	667
Merchandise material and supplies	4,490	4,423	3,917	4,482
Receivables	8,669	8,331	6,903	8,490
Cash	1,441	1,507	1,983	1,920
Goodwill	7,500	7,500	7,500	3,000
Total Assets	$23,238	23,583	22,253	19,903
[fol. 14019]				
Liabilities:				
Capital stock	$15,000(R)	15,000(R)	15,000(R)	9,000(S)
Surplus	.....	1,283	1,223	3,729
Current liabilities:				
Bills payable, Pension Fund Trustee	.....	.....	174	451
Other payables	6,035	4,488	4,663	6,123
Trade acceptances and bills receivable discounted	596	1,533	.....	.....
Taxes and accruals not due	1,164	1,171	.....	.....
Total Current Liabilities	$7,795	6,192	4,837	6,574
Reserve for Employees' Benefit Fund and Self-Insured Risks	.....	134	135	4
Reserve for depreciation on plant and equipment	443	974	1,058	596
Total Liabilities	$23,238	23,583	22,253	19,903

(R) Capital: 150,000 shares at $100.00 par value.

(S) Capital:

Common stock (30,000 shares at $100.00 par value)	$3,000,000
Preferred stock (60,000 shares at $100.00 par value)	6,000,000
Total	$9,000,000

NOTE.—This Company was sold December 31, 1928, to the Graybar Management Corporation for $9,000,000. Graybar Management Corporation Stockholders of common stock must be employees of Graybar Electric Company, Inc.

[fol. 14020]

EXHIBIT D-52

American Telephone and Telegraph Company

Loans to Western Electric Company, Incorporated, *Years 1918 to 1930

Year	Gross	Rate %	Advanced	Repaid	Average Outstanding During Year
1918					
1919					
1920					
1921					
1922	$2,000,000.00(a)	4½%	Oct. 13, 1922	Sept. 25, 1923	$1,621,917.81
	2,000,000.00(a)	4½%	Oct. 13, 1922	Sept. 29, 1923	
	1,000,000.00(a)	4½%	Oct. 13, 1922	Oct. 13, 1923	
	5,000,000.00(a)	4½%	Nov. 22, 1922	Oct. 13, 1923	
	2,000,000.00(a)	4½%	Dec. 30, 1922	Oct. 13, 1923	
					1,621,917.81
Total	12,000,000.00				
1923	1,000,000.00(b)	4¼%	Mar. 16, 1923	Oct. 20, 1923	17,305,555.56
	2,000,000.00(b)	4¼%	Mar. 20, 1923	Oct. 20, 1923	
	2,000,000.00(b)	4¼%	Mar. 26, 1923	Oct. 20, 1923	
	3,000,000.00	5%	Apr. 20, 1923	Oct. 30, 1923	
	1,000,000.00	5%	Apr. 26, 1923	Oct. 30, 1923	
	1,000,000.00	5%	Apr. 26, 1923	Apr. 11, 1924	
	2,000,000.00	5%	May 21, 1923	Apr. 11, 1924	
	2,000,000.00	5%	Aug. 9, 1923	Apr. 11, 1924	
	1,000,000.00	5%	Aug. 15, 1923	Apr. 11, 1924	
					17,305,555.56
Total	15,000,000.00				

Average principal on loans made prior to January 1, 1923, is included in this statement.

Year	Gross	Rate %	Advanced	Repaid	Average Outstanding During Year	
1924	3,000,000.00	4⅛%	Feb. 15, 1924	Apr. 11, 1924	6,011,111.11	
	6,000,000.00	4⅛%	Feb. 13, 1924	Apr. 11, 1924	.....	
	3,000,000.00	4⅛%	Feb. 20, 1924	Apr. 11, 1924	.....	
	2,000,000.00	5 %	Mar. 11, 1924	Apr. 11, 1924	.....	
	5,000,000.00	6 %	Apr. 21, 1924	Apr. 30, 1924	.....	
	1,000,000.00	6 %	Apr. 25, 1924	Apr. 30, 1924	.....	
	500,000.00	6 %	May 15, 1924	May 31, 1924	.....	
	5,000,000.00	6 %	May 20, 1924	May 31, 1924	.....	Temporary investments at current banking rates.
	2,000,000.00(c)	4 %	June 26, 1924	Nov. 21, 1924	.....	
	2,000,000.00	3½%	Aug. 21, 1924	Aug. 30, 1924	.....	
	1,000,000.00	3½%	Aug. 20, 1924	Aug. 30, 1924	.....	
	2,000,000.00	3½%	Aug. 25, 1924	Aug. 30, 1924	.....	
	2,000,000.00	3½%	Aug. 29, 1924	Aug. 30, 1924	.....	
	2,000,000.00	3½%	July 11, 1924	Nov. 21, 1924	.....	
	2,000,000.00	3½%	Sept. 12, 1924	Nov. 21, 1924	.....	
Total	38,500,000.00				6,011,111.11	
1925	15,000,000.00	3½%	Sept. 15, 1925	Sept. 30, 1925	625,000.00	
1926	.....	.....	.....	.....	.....	
1927	620,656.78(d)	3.85%	Dec. 31, 1927	Jan. 31, 1928	.....	Government obligations purchased Dec. 31, 1927, from Western Electric with resale agreement. Reflected in average for 1928.
	217,116.38	3.95%	Dec. 31, 1927	Jan. 31, 1928	.....	
	689,520.00	4.00%	Dec. 31, 1927	Jan. 31, 1928	.....	
Total	1,527,293.16				.....	

[fol. 14022]

Exhibit D-52—Continued

Year	Gross	Rate %	Advanced	Repaid	Average Outstanding During Year	
1928	1,013,324.29	3.80%	Apr. 6, 1928	May 14, 1928	801,906.87	
	353,713.48	3.95%	Apr. 2, 1928	Apr. 30, 1928	.....	
	682,768.18	4.00%	Apr. 2, 1928	Apr. 30, 1928	.....	Government obligations purchased from Western Electric Company with resale agreement. Average reflects those bought from Western Electric Co. in 1927.
	152,587.50	4.76%	Nov. 19, 1928	Dec. 31, 1928	.....	
	1,010,743.06	4.80%	Nov. 2, 1928	Dec. 31, 1928	.....	
	406,162.50	4.80%	Nov. 19, 1928	Dec. 31, 1928	.....	
	506,722.22	4.83%	Nov. 2, 1928	Dec. 31, 1928	.....	
	1,015,111.11	4.83%	Nov. 17, 1928	Dec. 31, 1928	.....	
	456,900.00	4.83%	Nov. 19, 1928	Dec. 31, 1928	.....	
	3,500,000.00	5¾%	Dec. 6, 1928	Dec. 31, 1928	243,055.56	Temporary investments at current banking rates.
Total	9,098,032.34				1,044,962.43	
1929	66,000,000.00	5.88%	Various dates	During 1929 & 1930	22,388,860.50	Allotment.
	2,030,997.99	4¼%	Dec. 20, 1929	Jan. 14, 1930	62,058.35	Government obligations purchased from Western Electric Co. with resale agreement.
Total	68,030,997.99				22,450,918.85	
1930	34,000,000.00(d)	5.88%	Various dates	During 1930	21,117,344.45	Allotment.
	30,000,000.00	4¼%	Sept. 30, 1930	.....	.....	Loaned in connection with purchase of Teletype Corporation.
Total	64,000,000.00				21,117,344.45	

(a) Rate changed to 4¾% effective April 2, 1923, and changed to 5% effective May 1, 1923.
(b) Rate changed to 5% effective July 15, 1923.
(c) Rate reduced to 3½% on July 26, 1924, and to 3% on October 1, 1924.
(d) Excludes government obligations purchased outright (no resale agreement):

1927	$6,094,122.38
1930	1,043,042.45

[fol. 14023] Ex. D-53

Teletype Corporation

Balance Sheet at September 30, 1930

Assets

Plant	$3,296,000
Investments in associated companies	188,000
Merchandise	1,703,000
Patents	416,000
Notes receivable	1,500,000
Accounts receivable	433,000
Marketable securities	797,000
Cash	758,000
	$9,091,000

Liabilities

Capital:	
Preferred stock	$1,398,000
Common stock	1,500,000
Mortgages on property	79,000
Other current liabilities	604,000
Reserve for depreciation of plant	555,000
Reserve for depreciation of patents	198,000
Undivided profits	1,318,000
Surplus	3,439,000
	$9,091,000

Ex. D-54

1. The purchase of the Teletype Corporation was effective October 1, 1930 and negotiations for that purchase had been carried on for some three months prior. Western Electric Company determined the price it was willing to pay on the basis of the following facts and estimates:

a. The sales of the Teletype corporation for 1929 were $11,136,000 and were estimated at $10,800,000 for 1930.

b. The purchases of the Bell System increased from $459,000 in 1926, $1,236,000 in 1927, to $3,900,000 in 1929. In March, 1930, it was estimated that the volume of such

[fol. 14024] purchases would be $4,000,000 in 1931, $5,100
000 in 1932, $6,100,000 in 1933 and $7,700,000 in 1934.

c. The total sales of the Teletype Corporation were
1926, $2,400,000; 1927, $3,200,000; 1928, $5,046,000; 192
$11,136,000.

d. The earnings of the Teletype Corporation for 192
were $3,827,000 and were estimated at that time at $3,900
000 for 1930.

e. The purchase was made with the expectation that t
Western Electric Company would be able to earn a sati
factory return on the purchase price. The earnings of t
Teletype Corporation for the years 1929 and 1930 indicat
a return of between 12% and 13%.

2. The Teletype Plant occupies six and one-half acres
land on Wrightwood Avenue, Chicago. It consists
thirteen buildings comprising 280,000 square feet of flo
space.

EXHIBIT D-55

Teletype Corporation

Condensed Summary of Results for the Year 1931 Compared with 1930

(Dollars in Thousands)

a	a	b	c	d
Assets and Liabilities:	Dec. 31, 1931	Dec. 31, 1930	Inc. of Dec. 31, 1931 Over Dec. 31, 1930	% Inc
1. Plant (Gross)	$4,140	$3,946	194	4.9
2. Goodwill	23,813	23,813	0	0
3. Investments in Associated Companies	262	188	74	39.4
4. Patents	423	421	2	.5
5. Merchandise	1,699	1,871	(172)	(9.2)
6. Notes Receivable	1	0	1	....
7. Accounts Receivable	344	306	38	12.4
8. Marketable Securities	677	785	(108)	(13.8)
9. Cash	455	334	121	36.2
10. Total assets	31,814	31,664	150	.5
11. Common Stock	1,500	1,500	0	0
12. Current Liabilities	279	512	(233)	(45.5)
13. Reserve for Depreciation of Plant	1,871	1,554	317	20.4
14. Reserve for Depreciation of Patents	244	207	37	17.9
15. Surplus	4,107	4,078	29	.7
16. Capital Surplus	23,813	23,813	0	0
17. Total liabilities	31,814	31,664	150	.5

[fol. 14025] Exhibit D-55—Continued

		e	f	g	h	
18.	Sales	$3,029	$9,540	(6,511)	(68.2)	18
19.	Gross Profits	938	4,134	(3,196)	(77.3)	19
20.	Other Income	(20)	115	(135)	(117.4)	20
21.	Total	918	4,249	(3,331)	(78.4)	21
	Expenses:					
22.	Research and Patent Amortization	191	231	(40)	(17.3)	22
23.	Administrative, Selling and Other Expense	501	1,029	(528)	(51.3)	23
24.	Federal Taxes	47	342	(295)	(86.3)	24
25.	Total expenses	739	1,602	(863)	(53.9)	25
26.	Net Earnings	179	2,647	(2,468)	(93.2)	26
27.	Interest Deductions	0	6	(6)	(100.0)	27
28.	Net Earnings Available for Dividends	179	2,641	(2,462)	(93.2)	28
29.	Dividend Requirements	150	1,873	(1,723)	(92.0)	29
30.	Undivided Profits	29	768	(739)	(96.2)	30
	Percentages:			i 1931	j 1930	
	Relation to Sales of:					
31.	Gross Profits			31.0	43.3	31
	Expenses:					
32.	Research and Patent Amortization			6.3	2.4	32
33.	Administrative, Selling and Other Expense			16.5	10.8	33
34.	Federal Taxes			1.6	3.6	34
35.	Total Expenses			24.4	16.8	35
36.	Net Profits on Sales			6.6	26.5	36
37.	Earnings Per Share of Common Stock (Annual Basis)			$1.19	$17.12	37

Date Issued:—— —, 1932.

[fol. 14026] EXHIBIT D-56

Analysis of Average Investment in Operations, Bell Business, Years 1916–1930, Inclusive

(Dollars in Thousands)

Years	Plant	Merchandise	Receivables	Cash	Total Assets	Current Payables	Average Investment
1916	$16,282	$19,873	$11,527	$3,602	$51,284	$5,172	$46,112
1917	19,719	33,647	16,049	4,219	73,634	7,450	66,184
1918	21,525	34,883	15,562	3,619	75,589	4,904	70,685
1919	23,721	31,174	16,004	3,518	74,417	4,478	69,939
1920	29,996	47,908	22,755	5,550	106,209	7,295	98,914
1921	39,007	55,831	28,231	9,756	132,825	7,495	125,330
1922	44,476	48,001	29,242	11,573	133,292	10,203	123,089
1923	49,468	57,462	30,688	7,774	145,392	13,888	131,504
1924	58,190	70,914	39,561	8,671	177,336	18,848	158,488
1925	63,750	57,127	36,053	24,680	181,610	18,525	163,085
1926	68,783	56,214	42,841	4,387	172,225	11,970	160,255
1927	75,769	60,108	36,418	6,041	178,336	10,965	167,371

Exhibit D-56—Continued

Analysis of Average Investment in Operations, Bell Business, Years 1916–1930, Inclusive

(Dollars in Thousands)

Years	Plant	Merchandise	Receivables	Cash	Total Assets	Current Payables	Average Investment
1928	80,705	51,614	36,665	6,923	175,907	14,529	161,378
1929	95,046	74,386	50,215	8,817	228,464	23,957	204,507
1930	139,988	91,962	49,799	9,429	291,178	20,622	270,556
Total	826,425	791,104	461,610	118,559	2,197,698	180,301	2,017,397

[fol. 14027]

EXHIBIT D-61

Western Electric Company, Incorporated, General Accounting Department

Analysis of Profits on Business Other Than with Bell Telephone Companies from 1881 to 1927, Inclusive

1. Interest and Dividends received on Foreign Business 1881 to 1925 Inclusive		$24,563,000 (R)
2. Profit on Sale of International Western Electric Company, Incorporated at September 30, 1925		6,586,000 (S)
3. Net Profit on Sales to Foreign Customers for Export 1881 to 1927 Inclusive		4,367,000
4. Net Profits on Sales to Other Domestic Customers 1881 to 1925 Inclusive and to the Graybar Electric Company, Inc., during 1926 and 1927		18,885,000 (S)
5. Royalties received on Vitaphone, Permalloy, Phonograph and Submarine Cable Business from 1914 to 1926 Inclusive	$2,127,000	
Less Specific Development and General Expenses Applicable to this Business	4,666,000	(2,539,000)
6. Net Profit on Sales of Vitaphone, Permalloy and Phonograph Equipment during 1926 and 1927		591,000
7. Income during 1926 from Investment of Profits from Foreign and Domestic Business other than with Bell Telephone Companies		1,107,000
8. Revaluation to Increase the Stock of the Electrical Research Products Inc., on Books of Western Electric Company, Incorporated, due to:		
(a) The Electrical Research Products Inc., writing up value of Stock of its Subsidiary Companies (Northern Electric Company and Graybar Electric Company, Inc.) from Cost to Book Value	$4,680,000	
(b) Undistributed Current Earnings of Electrical Research Products Inc., for the year 1927	5,258,000(U)	9,938,000
Total		63,498,000 (V)

R. Includes special dividend received in 1925 amounting to $9,700,000.

S. After providing for Pension Liability to employees of International Western Electric Company, Incorporated and Graybar Electric Company, Inc.

U. Actual earnings for 1927, $5,504,000.

V. Reclassified:

Manufacturing Profits	$10,468
Other	53,030
	63,498

[fol. 14028] DEF'T'S EX. D-62

Weco Corporation

Opening Balance Sheet, May 31, 1930

Assets:

Notes receivable	$13,800,000.00
Cash	39,869.41
	$13,839,869.41

Liabilities:

Capital	$1,000,000.00
Surplus	12,839,869.41
	$13,839,869.41

The Weco Corporation issued 100,000 shares of capital stock without par value to the Western Electric Company, Inc., receiving therefor on May 31, 1930, the following consideration:

Cash	$39,869.41
Demand promissory notes of E R P I bearing interest at 6% per annum endorsed by Western Electric Co., Inc., to Weco Corporation	$13,800,000.00
	$13,839,869.41

The Electrical Research Products, Inc., sold on June 1, 1930, the assets listed on the following sheet in exchange for the assets received by Weco Corporation from Western Electric Co., Inc.

[fols. 14029-14033] Ex. D-63

Weco Corporation

Assets sold by E R P I to Weco:		
(a) 39,240 shares of Northern Electric Co., Ltd., Common Stock		$6,387,418.00
(b) 46,000 shares of Graybar Electric Co., Inc., Preferred Stock		4,600,000.00
(c) German war claim		1,258,788.00
(d) New Zealand war claim		200,000.00
(e) Deferred receivables		2,000,000.00
(f) N. C. Heisler open account		1.00
(g) N. C. Heisler stock account		93,846.15
(h) 100 shares of Western Electric Company, Limited (of Canada) capital stock		10,000.00
(i) Western Electric Company, Limited (Canada) open account		26,246.64
(k) Cash in Petrograd banks		1.00
(l) Accrued dividends:		
April and May, 1931:		
Northern Electric Co., Ltd	$65,400.00	
Graybar Electric Co., Inc	53,667.00	
Estimated additional dividend, Graybar Electric Co., Inc	90,000.00	209,067.00
		$14,785,368.79
Less reserves against above assets:		
German war claim		$607,588.17
100% reserve against items (d, f, g, h, i and k)		330,094.62
Tax on Northern Electric Co., Ltd., accrued dividend		7,848.00
		$945,486.79
		$13,839,882.00

EXHIBIT D–69

Patents Sold to and Licenses Purchased from A. T. & T. Co. by Western Electric Co., Inc., and Accounting Disposition 1916 to 1930 (U)

	Accounting Disposition							
	Patents Sold					Licenses Purchased Annually Charged to		
	Special Assignment Credited to Reserve for Contingencies	Annual Assignments Credited to						
		General Expense	Development Expense	Other Income	Total	Reserve for Contingencies	Development Expense	Total
1916	$	$	$	$	$		$	$
1917	250,000	29,630			279,630	4,448		4,448
1918								
1919	22,000	10,925			32,925	5,300		5,300
1920			16,675		16,675	5,150		5,150
1921			12,416		12,416		13,325	13,325
1922			23,510		23,510		17,440	17,440
1923			1,163		1,163			
1924			43,501		43,501		7,675	7,675
1925			48,503		48,503		9,817	9,817
1926			51,804		51,804		33,489	33,489
1927			94,326		94,326		16,250	16,250
1928			73,913		73,913		11,775	11,775
1929				85,568	85,568		20,000	20,000
1930				71,026	71,026		55,424	55,424
	272,000	40,555	365,811	156,594	834,960	14,898	185,195	200,093

(U) Amounts received from A. T. & T. Co. for assignment of patents, and licenses paid to A. T. & T. Co. represent:
(a) In the case of patents purchased from outside sources, the actual amount paid for such patents.
(b) In the case of all other patents, the cost of taking out the patent, meaning thereby time spent by the respective patent departments plus patent office fees.

[fol. 14047] EXHIBIT D-72

Description of Western Electric Costs

1. General:

The fundamental elements of cost are:

1. Pay rolls.
2. Purchases.
3. Taxes.
4. Reserve for deferred payments.

By reason of the organization of the company's oper tions, the nature of the work done and the method of alloc tion and accounting followed, these fundamental elements c cost appear in different places under varying names in th process of building up the complete cost of sales, as illu trated by the accompanying chart. Capital charges in th form of interest and dividends are not included in the co of sales.

2. Definition of primary costs and their grouping int assembled costs:

As shown by the chart, sales are made up of—

1. Complete cost of manufactured products.
2. Complete cost of purchased supplies.
3. Net profits.

Complete cost of manufactured products in turn is ma up of—

1. Shop cost.
2. Installation cost. } (Apply to central off
3. Equipment specification cost. } equipment only.)
4. Development cost.
5. Distribution cost.
6. Less credits for interest received from operations.

Complete cost of purchased supplies comprises invoi cost of purchased supplies and their cost of distributi less credits for interest received from operations.

These main elements making up the complete costs sales in turn represent assemblies of primary costs wh are briefly defined in the following paragraphs.

[fol. 14048] 3. Shop cost:

Shop cost comprises all of the labor and other expenses of the Manufacturing Department in carrying out its function of manufacturing cable, apparatus and equipment.

Shop cost is made up of the following primary costs:

1. Direct Labor. Payments to employees who perform manufacturing and assembly operations which can be charged to running orders covering such operations.

2. Indirect Labor. Amounts paid to direct labor employees which cannot practically be charged to such running orders for manufacturing operations but which are distributed over all such orders by percentages applied to direct labor. Such payments include vacations, forced absences, overtime allowances, sickness and accident disability payments and accruals for service pension liability.

3. Raw Materials. Raw materials comprise that material used in the manufacture of the product which either becomes part of the finished article or waste normally resulting from manufacturing processes. Scrap value of such waste is deducted from the gross cost of materials.

4. Manufacturing Overhead. This comprises accruals for depreciation of plant and all administrative, clerical and other expenses of the Manufacturing Department which cannot be assessed directly to the cost of the order as expended, but are included in shop cost as loading.

4. Installation cost:

Installation cost comprises the expenditures of the Installation Department required to install central office equipment. It represents the assembly of the following primary costs:

1. Direct labor.
2. Indirect labor.
3. Installation materials.
4. Installation overhead.

In general, these elements of cost of installation work correspond to those defined in the previous section for manufacturing work.

5. Equipment specification cost:

Equipment specification cost represents the work of issuing in the form of specifications and drawings the engi-

[fol. 14049] neering requirements of the Telephone Companies and Bell Telephone Laboratories for a central office order in such a manner that the necessary manufacturing and installing information may be presented to the Manufacturing Department and Installation Divisions.

The cost of preparing these specifications and drawings is similarly made up of the following items:

1. Direct labor.
2. Indirect labor.
3. Equipment materials.
4. Equipment overhead.

(Note.—The cost of preparing standard or master specifications is included in development cost as standardization, as brought out in the following paragraph.)

6. Development cost:

Development cost comprises expenditures for—

1. Developing, designing and patenting prior to the initial manufacture.
2. Preparing and maintaining standard specifications and drawings covering central office equipment and circuits.
3. Patents purchased and royalties and license fees paid for use of patents.

Development cost includes:

a. Charges from the Bell Telephone Laboratories for development work.
b. Charges from the Installation Department for standardization. (See above.)
c. Expenditures by the Patent Department.

7. Distribution cost:

Distribution cost is made up of four elements:

1. Merchandise Expenses, which include all of the labor and other expenses of the Telephone Sales Department in receiving, storing and shipping both manufactured products and supplies purchased from others.

This includes the operating expenses of the General Merchandise Departments at Hawthorne, Kearny and Point Breeze and of 32 distributing warehouses throughout the [fol. 14050] country. Packing and transportation charges are also included.

2. Purchasing expense, which represents the cost of purchasing both raw materials and purchased supplies.

3. General expense, which includes the expenses of the executive and administrative officers of the company and their staffs, such as the Legal, Accounting, Treasury, Personnel and Advertising.

4. Federal taxes.

Distribution cost is divided between—

a. Distribution cost of manufactured products.
b. Distribution cost of purchased supplies.

8. Interest received from operations (credit):

From the sum of the preceding elements of cost is deducted interest received from operations, in arriving at the complete cost of sales.

9. Aggregate cost and figured standard cost:

In the administration of its business and the determination of profits, the Western Electric Company makes use of—

a. Aggregate costs:

These are ascertained from the books for the various departments on which are recorded the actual expenditures for pay rolls, purchases and accruals for taxes, depreciation and other deferred payments. Such expenditures, adjusted for changes in inventories, give the aggregate cost of sales divided departmentally, such as shop, installation, development and distribution.

b. Figured standard cost:

To determine the figured standard cost of individual items produced, direct labor and material is charged by means of time and material tickets to running orders for similar operations or groups of operations, to which are added by means of loading rates such expenses as cannot practically be charged direct to the order. From the specification or manufacturing lay-out showing the operations required to produce a given article and from the operation cost determined from these running orders, is assembled [fol. 14051] the figured standard cost of a particular product. Although necessarily differing for particular periods,

the total of all figured standard costs will, over a period of years, equal the aggregate cost.

10. The allocation of cost of sales between Bell and Non-Bell Companies is determined as follows:

Manufactured Products

1. Shop cost:

The figured standard shop cost is shown on the Western Electric Co. copy of each bill rendered by the Merchandise Department to Distributing Houses for shipments to Bell customers and on copy of each bill to Non-Bell customers, and these summarized, furnish for each year the total figured shop costs for Bell and Non-Bell business. Any difference between such total figured shop cost and the total aggregate shop cost of manufactured products is added to or deducted from the figured shop cost on a pro-rata basis, to obtain the aggregate cost of sales to Bell and Non-Bell customers. The adjustment to actual cost is not made for isolated items of Western Electric manufacture.

2. Installation and equipment specification costs:

Such costs are accumulated directly for each order of central office equipment and are included in cost of sales for Bell business or Non-Bell business, depending on which class of customer ordered the equipment.

3. Development cost:

Development expense is classified according to main classes of products and divided in proportion to the shop cost of each class of products sold to Bell and Non-Bell customers.

4. Distribution cost:

Distribution cost is divided between Bell and Non-Bell insofar as practical on the basis of time studies and estimates and the remainder assessed pro-rata to the shop cost of sales, except for Federal taxes which is divided on the basis of taxable profits on Bell and Non-Bell business.

[fol. 14052] 5. Interest received from operations:

The source of such interest frequently determines whether it should be included under Bell or Non-Bell busi-

ness. Other is divided pro-rata to the shop cost of sales, the same basis as used in assessing investment in cash, the source of practically all of the interest prorated.

Purchased Supplies

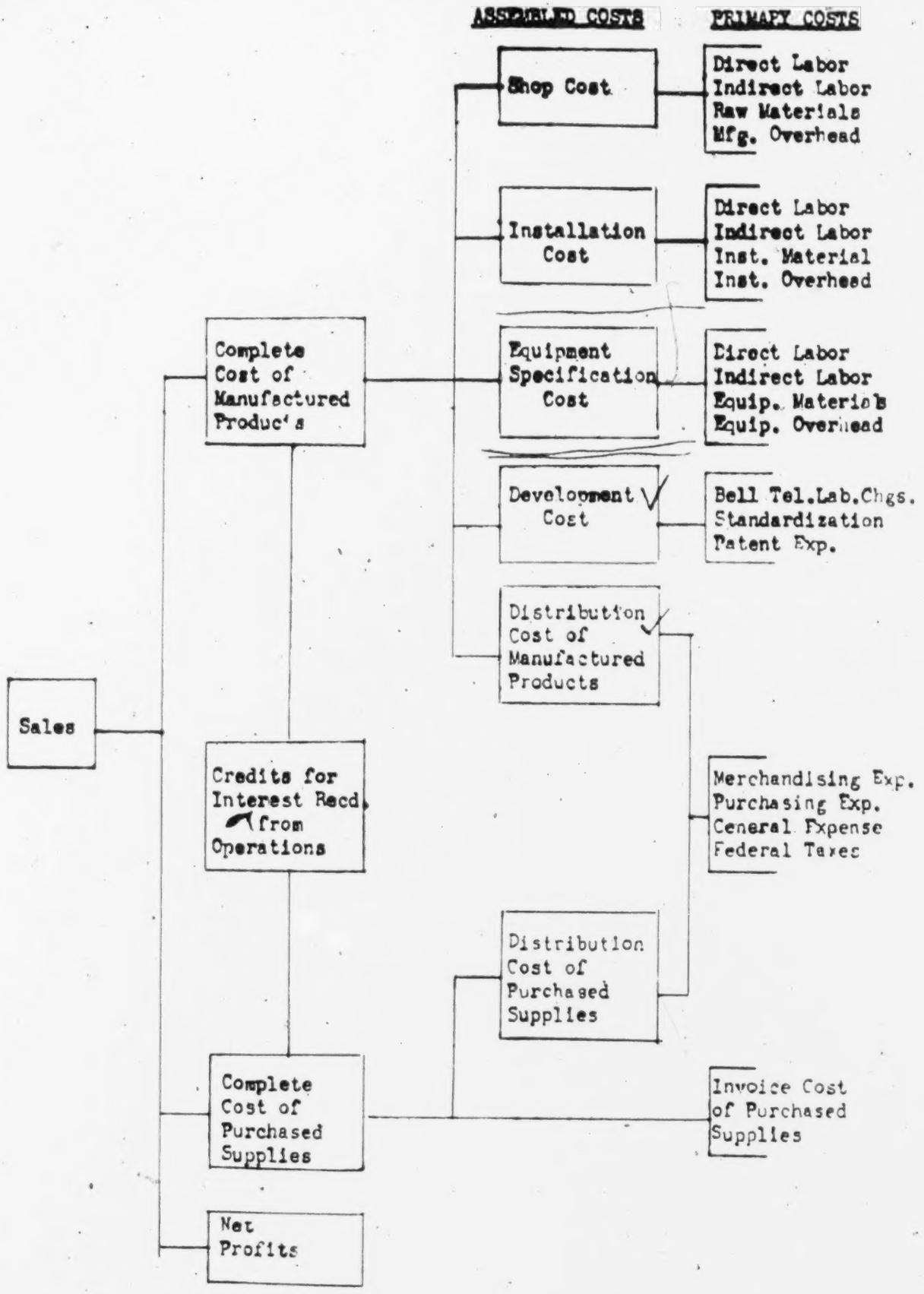
6. To the known invoiced cost of sales to Bell and to Non-Bell customers is added the cost of distribution and deducted the interest received from operations, allocated between Bell and Non-Bell business in the manner described in section 4—Distribution Cost and Section 5—Interest Received from Operations.

(Here follows 1 photo, side folio 14053)

EXHIBIT D72 - Continued

APPENDIX A

ANALYSIS OF WESTERN ELECTRIC SALES AND COSTS



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[Vol. 14084]

EXHIBIT D-73

Western Electric Company, Inc.

Investment in Products Company

On January 1, 1927, the Products Company was set up, at which time the following assets were transferred:		
Investments:		
Graybar Company Stock	$6,699,000	
Northern Electric Company Stock	1,370,000	
W. E. Co. Limited of London Stock	1,000	
		$8,070,000
Marketable Securities:		
Liberty Bonds	$21,549,000	
U. S. Treasury Notes	4,452,000	
U. S. Treasury Notes	4,692,000	
		30,693,000
Cash		1,000,000
Accounts Receivable less Accrued Liabilities		1,299,000
		$41,062,000
Of this amount, capital was set up on the Products books of		1,000,000
And surplus was set up amounting to		40,062,000
During 1927 the Products Company earned		5,504,000
At December 31st the following revaluations were made increasing the value of the Products Company holdings in the Northern Electric Company and the Graybar Electric Company:		
On account of Graybar Electric Company	$1,800,000	
On account of Northern Electric Company	2,880,000	
		4,680,000
Total		$50,246,000
Out of this the following dividends were paid to the Western Electric Company:		
Regular dividend at $5.00 per share	$3,750,000	
Special dividend at $60.00 per share	45,000,000	
		48,750,000
Leaving a surplus at the end of 1927 on Products Company books of		$1,496,000
On the Western Electric Company books as of January 1, 1927, the investment in Products Company was carried at		41,062,000
As of December 31, 1927, this investment was revalued to represent 750,000 shares of common stock at $3.00 per share, or		2,250,000
Resulting in a charge to surplus on Western's books of		$38,812,000
This revaluation was arrived at as follows:		
Capital stock and surplus of the Products Company—1/1/27		41,062,000
Estimated earnings of the Products Company for 1927		5,258,000
Revaluation of Graybar and Northern Electric investments		4,680,000
Total		$51,000,000
Less dividends paid		48,750,000
Estimated value of capital stock and surplus on Products books at December 31, 1927		$2,250,000

Which was equivalent to $3.00 a share on 750,000 shares.

At December 31, 1928, the Western Electric Company's holdings in the Products Company were increased from $2,250,000 to $6,250,000, reflecting the revaluation made by the Products Company of their capital stock from $1,000,000 to $5,000,000 as of this date. The stock investment in the Electrical Research Products, Inc., is now carried on the books of the Western Electric Company at $6,250,000.

[fol. 14055] EXHIBIT D-74

Electrical Research Products, Inc., General Auditing Department

Monthly Report No. 1

Condensed Summary of Results for Years 1927 to 1930, Inclusive

(Dollars in Thousands)

	Assets and Liabilities:	a Dec. 31, 1930	b Dec. 31, 1929	c Dec. 31, 1928	d Dec. 31, 1927	
1.	Plant	$854	$690	$203	$45	1
2.	Investments	10,170	19,675	10,597	12,761	2
3.	Merchandise	6,992	6,941	4,501	1,203	3
4.	Deferred Receivables	.....	3,905	4,729	3,000	4
5.	Notes Receivable	1,069	18,701	2,720	1,082	5
6.	Accounts Receivable	9,336	13,661	8,609	502	6
7.	Cash	1,168	1,176	278	337	7
8.	Total Assets	29,589	64,749	31,637	18,930	8
9.	Capital (750,000 Shares No Par)	5,000	5,000	5,000	1,000	9
10.	Current Liabilities — Western Electric Co., Inc	940	3,256	3,804	317	10
11.	Other	1,161	1,818	4,168	886	11
12.	Notes Payable—Western Electric Co., Inc	11,200	43,200	12,800	14,200	12
13.	Pension Fund Trustee	458	238	76	8	13
14.	Notes Receivable Discounted	.....	1,500	.....	.....	14
15.	Reserves for Depreciation of Plant	838	519	107	18	15
16.	Depreciation on Receivables	1,891	2,176	1,760	1,000	16
17.	Contingencies	2,819	1,771	.....	.....	17
18.	Employees' Benefit Fund	.....	.....	.....	5	18
19.	Surplus and Undivided Profits	5,282	5,271	3,922	1,496	19
20.	Total Liabilities	29,589	64,749	31,637	18,930	20
		e 1930	f 1929	g 1928	h 1927	
21.	Operating Revenue	$28,438	$46,523	$17,257	$3,696	21
22.	Profits and Operations	8,543	14,385	6,796	1,534	22
23.	Profits from Investments	5,142	2,011	4,279	6,282	23
24.	Total Gross Income	13,685	16,396	11,075	7,816	24
25.	*General Expense*	*5,785*	*3,549*	*1,488*	*571*	25
26.	Engineering Expense	1,871	3,050	1,366	880	26
27.	Reserves	0	640	325	767	27
28.	Federal Taxes	0	678	358	94	28
29.	Total Expenses	7,656	7,917	3,537	2,312	29
30.	Net Earnings Available for Interest and Dividends	6,029	8,479	7,538	5,504	30
31.	Interest Deductions	1,518	1,880	674	0	31
32.	Net Income Available for Dividends	4,511	6,599	6,864	5,504	32
33.	Dividends ($6.00 per Share 1930, $7.00 per Share 1929, $1.25 per share 1928, $5.00 per Share 1927)	4,500	5,250	938	3,750(A)	33

[fol. 14056] Exhibit D-74—Continued

	e 1930	f 1929	g 1928	h 1927	
34. Undivided Profits	$11	$1,349	$5,926	$1,754	34
35. Average Investment	37,319	45,309	19,293	43,868	35
36. % Return on Investment	16.2	18.7	39.1	12.6	36
37. Net Income per Share of Stock	$6.01	$8.80	$9.15	$7.34	37

Contingent Liabilities to:	1930	1929
Chatham & Phenix Bank, New York	$3,875,000	.....
National City Bank, New York	300,000	.....
First National Bank, Boston	44,000	.....
Bankers Trust Company, New York	.....	975,937
	4,219,000	975,937

A Excludes special dividend of $45,000,000.

Analysis of E. R. P. Inc. Deferred Receivables for the Period 1927-1930

(Dollars in Thousands)*

	Dec. 31, 1930	Dec. 31, 1929	Dec. 31, 1928	Dec. 31, 1927
1. Sale of Option to Purchase Stock of International Telephone Sales and Engineering Corporation	$.....	$2,500	$3,000	$3,000
2. German War Claim	.....	1,205	1,511	.....
3. New Zealand War Claim	.....	200	200	.....
4. Vienna "Special" Claim	.....	.....	18	.....
	.....	3,905	4,729	3,000

Analysis of Profits Received by Electrical Research Products, Inc., from its Subsidiaries Operating in Foreign Countries and from Northern Electric Company, Limited, 1927-1930, Inclusive

(Dollars in Thousands)

Dividends Received During—	
1927	$314
1928	261
1929	259
1930	3,539
Total Dividends Received	4,373
Profit Due to Write-up of Investment, 1927-1930	2,880
Total Profits	7,253

Total Analyzed

Dividends:	
1927. Northern Electric Company, Limited	314
1928. Northern Electric Company, Limited	261
1929. Northern Electric Company, Limited	259
1930. Northern Electric Company, Limited	163
Subsidiaries Operating in Foreign Countries:	
Western Electric Company, Limited (London)	2,681
Western Electric Company of Brasil	36

[fol. 14057] Exhibit D–74—Continued

Western Electric Company (Australia), Limited	494
Western Electric Company of Asia	75
Western Electric Company Inc. of Cuba	55
Western Electric Company of Chile	30
Western Electric Company of Mexico	5
Total Dividends	4,373
Write-up of Investment in Northern Electric Company Limited	2,880
Total	7,253

Surplus and Profits of Electrical Research Products, Inc., for Four Years, 1927 to 1930, Inclusive

Surplus resulting from assets transferred to Products Company at time of its organisation (January 1, 1927)	$40,062,000
1927:	
Net Profits	5,504,000
Revaluation of investment in Northern Electric Company	2,880,000
Revaluation of investment on Graybar Electric Company	1,800,000
Dividends paid	48,750,000
Surplus as of December 31, 1927	1,496,000
1928:	
Net Profits	6,864,000
Revaluation of investment in Graybar Electric Company at time of sale	500,000
Surplus transferred to capital through revaluation of capital stock	4,000,000
Dividends paid	938,000
Surplus as of December 31, 1928	3,922,000
1929:	
Net profits	6,599,000
Dividends Paid	5,250,000
Surplus as of December 31, 1929	5,271,000
1930:	
Net Profits	4,511,000
Dividends paid	4,500,000
Surplus as of December 31, 1930	5,282,000

Exhibit D-74—Continued

Electrical Research Products, Inc.

Statement of Loansans by Western Electric Company, Incorporated, to Electrical Research Products, Inc.

Date of Borrowing	1927 Amount	Date of Repayment	1927 Amount	1928 Amount	1929 Amount	1930 Amount	Balance due at 12/31/30
12/31	$14,200,000	6/29		$500,000			
		8/23		400,000			
		12/31		3,000,000			
		10/ 1			$700,000		
		10/ 2			300,000		
		11/25			400,000		
		1/10				$800,000	
		5/12				400,000	
		5/31				7,700,000	
Total	$14,200,000			$3,900,000	$1,400,000	$8,900,000	
	1928						
8/11	$100,000	8/23		$100,000			
9/11	200,000	5/31				$200,000	
10/11	300,000	5/31				300,000	
11/30	300,000	5/31				300,000	
12/11	500,000	5/31				500,000	
12/22	300,000	5/31				300,000	
12/31	900,000	5/31				900,000	
Total	$2,600,000			$100,000		$2,500,000	

[fol. 14059]

Exhibit D-74—Continued

Electrical Research Products, Inc.

Statement of Loans by Western Electric Company, Incorporated, to Electrical Research Products, Inc.

Date of Borrowing	1929 Amount	Date of Repayment	1927 Amount	1928 Amount	1929 Amount	1930 Amount	Balance due 12/31/30
1/22	$500,000	5/31				$500,000	
1/31	1,000,000	5/31				1,000,000	
2/11	1,000,000	5/31				1,000,000	
2/23	400,000	5/31				400,000	
2/26	15,000,000	5/ 6				5,000,000	
		5/13				3,000,000	
		5/20				1,000,000	
		7/ 2				1,000,000	
		9/23				5,000,000	
2/28	500,000	5/28				500,000	
3/11	600,000	7/31				600,000	
3/22	900,000	7/31				400,000	
		8/11				500,000	
3/30	300,000	7/24				300,000	
4/30	500,000	8/11				500,000	
5/22	700,000	5/31				700,000	
5/31	600,000	9/ 5				500,000	
		10/30				100,000	
6/11	700,000	10/30				400,000	
		11/11				300,000	
6/22	600,000	11/22				500,000	
		11/29				100,000	
7/11	700,000	11/29				200,000	$500,000
7/22	600,000						600,000
7/31	300,000						300,000
11/30	500,000						500,000
12/11	200,000						200,000
12/23	700,000						700,000
12/30	1,300,000						1,300,000
12/31	4,200,000						4,200,000
Total	31,800,000					23,500,000	8,300,000

[fol. 14060]

1/22	$500,000	....	.....	.....	.....	.....	$500,000
1/31	100,000	....	.....	.....	.....	.....	100,000
2/11	100,000	....	.....	.....	.....	.....	100,000
6/30	300,000	....	.....	.....	.....	.....	300,000
9/30	300,000	....	.....	.....	.....	.....	300,000
12/31	1,600,000	....	.....	.....	.....	.....	1,600,000
Total	2,900,000	....	.....	.....	.....	.....	2,900,000
Grand Total	51,500,000	....	.....	$4,000,000	$1,400,000	$34,900,000	11,200,000
Balance End of Year	.....	....	$14,200,000	$12,800,000	$43,200,000	$11,200,000	.....

[fols. 14061-14071] Exhibit D-74—Continued

Payments Made by Graybar Electric Company, Inc.
to Electrical Research Products, Inc.
for Dividends and Retirement of Preferred Stock
January 1, 1927, to May 31, 1930 (U)
(Dollars in Thousands)

Dividends:	
1927	$1,800
1928	2,010
1929	1,501
1930 (5 Months 1930)	309 (U)
Total	5,620

	Retirement	Balance at End of Year
Retirement of Preferred Stock:		
1928	$0	$6,000
1929:		
March 30, 1929	200	
June 29, 1929	200	
September 30, 1929	400	
December 31, 1929	200	5,000
1930:		
March 31, 1930	400	4,600 (U)

(U) Investment by Electrical Research Products Inc. in preferred stock of Graybar Electric Company, Inc. was sold to Weco Corporation as of May 31, 1930 for $4,600,000.

Change in Investment of Electrical Research Products, Inc., in Graybar Electric Company, Inc., 1927 to May 31, 1930 (U)
(Dollars in Thousands)

		Balance at End of Year
1927.		
1. 150,000 Shares of Graybar Electric Company, Inc. Common Stock Purchased from Western Electric Company, Incorporated	$6,700 (A)	
2. Revaluation of Investment in Graybar Electric Company, Inc. Common Stock at December 31, 1927	1,800	$8,500
1928.		
3. Revaluation of Investment in Graybar Electric Company, Inc. Stock at Time of Sale	500	9,000
4. Graybar Electric Company, Inc. was sold to Graybar Management Corporation at December 31, 1928 for $9,000,000 paid for		
In Cash	3,000	
In Preferred Stock	6,000	6,000
1929.		
5. Retirement of 10,000 Shares of Graybar Electric Company, Inc. Preferred Stock	1,000	5,000
1930.		
6. Retirement of 4,000 Shares of Graybar Electric Company, Inc. Preferred Stock	400	4,600 (U)

U. Investment by Electrical Research Products, Inc. in preferred stock of Graybar Electric Company, Inc. was sold to Weco Corporation as of May 31, 1930 for $4,600,000.

(A) Par value of investment	$15,000,000
Less reserve transfered from W. E. at time of sale	8,300,000
Net value	6,700,000

EXTRACTS FROM EXHIBIT D-77

Western Electric Company, Incorporated

Statement of Surplus and Undivided Earnings for Years 1916 to 1930

a	b	c	d	e	f	g	h	
Year Ending Dec. 31st	Total Earnings	Interest Paid on Bonds, Borrowings and Bond Discount	Dividends Paid		Balance Carried to Common Stock and Surplus (b—(c to e)	Adjustments to Capital Stock and surplus (Analyzed on Attached Statement)	Capital and surplus at End of Each Year (A)	
			Common Stock	Preferred Stock				
1915	$.....	$.....	$.....	$.....	$.....	$.....	$25,229,032	1
1916	3,204,710	880,094	1,200,000	900,000	224,616	0	25,453,648	2
1917	4,161,560	1,309,844	1,200,000	1,350,000	301,716	0	25,755,364	3
1918	5,050,849	1,540,528	1,500,000	1,800,000	210,321	0	25,965,685	4
1919	5,652,089	1,263,180	1,500,000	1,800,000	1,088,909	0	27,054,594	5
1920	5,277,414	4,037,645	3,000,000	345,000	894,769	30,000,000(B)	57,949,453	6
1921	10,166,337	5,842,340	3,500,000	0	823,997	0	58,773,450	7
1922	9,235,890	3,904,097	3,500,000	686,857	1,144,936	15,013,438(C)	74,931,826	8
1923	10,079,471	1,159,958	5,000,000	1,727,572	2,191,941	0	77,123,767	9
1924	14,505,857	4,378,927	5,000,000	1,727,572	3,399,358	0	80,523,125	10
1925	16,073,981	1,790,679	5,625,000	1,233,980	7,424,322	(39,012,864)(D)	48,934,583	11
1926	16,431,933	1,857,895	7,500,000	0	7,074,038	0	56,008,621	12
1927	19,339,174	1,982,757	7,500,000	0	9,856,417	(52,877,252)(E)	12,987,786	13
1928	22,023,282	2,315,393	11,250,000	0	8,457,889	(10,661,721)(F)	10,783,954	14
1929	31,555,774	4,560,528	23,500,000	0	3,495,246	277,745(G)	14,556,945	15
1930	20,297,612	4,672,773	23,250,000	0	(7,625,161)	0(H)	6,931,784	16
Grand Total	196,055,933	41,496,638	104,025,000	11,570,981	36,963,314	(57,260,564)	.....	17

[fol. 14073] A. For the Years 1916 to 1924 Inclusive, Capital and Surplus was stated as the book value of Outstanding Capital Stock. In 1925 Surplus Account was set up.

B. Represents:

200,000 shares of Common Stock issued at $180 per share	$36,000,000
Less Premium paid on the Redemption of 300,000 shares of Preferred Stock par $100 at $120 per share	6,000,000
	30,000,000
Plus Premium of $10 a share on 9 shares of Common Stock not subscribed to and sold to American Telephone and Telegraph Company at $190	90
Net adjustment 1920	30,000,090

C. Represents:

150,000 shares of Common Stock issued at $100 per share	15,000,000
Premium on Sale of 1,413 shares of Preferred Stock	13,432
Net adjustment 1922	15,013,432

D. Represents:

Special Dividend received from International Western Electric Company, Incorporated	9,700,000
Profit resulting from Sale of International Western Electric Company, Incorporated	6,255,096
	15,955,096
Less:	
Premium paid of $10 per share on Redemption of 246,796 shares of Preferred Stock	2,467,960
Stated Capital set up per Board of Directors	52,500,000
	54,967,960
Net adjustment 1925	39,012,864

E. Represents:

Reserve for Contingencies transferred to Surplus	6,824,71
Reserve against Bell Laboratories Notes transferred to Surplus	1,056,30
Adjustment for International Standard Electric Corporation Pension Reserve transferred to Surplus	330,15
Adjustment for Graybar Electric Company, Inc. Pension Reserve transferred to Surplus	373,15
Receipt of Special Dividend for Electrical Research Products Inc.	48,750,00
	57,334,3
Less:	
Revaluation of the Holdings in Electrical Research Products Inc.	38,811,5
Distribution of Special Dividend received from Electrical Research Products Inc.—Rate of $13.00 a share	48,750,0
Special Surplus Adjustment	150,0
Transfer of Surplus to Common Stock	22,500,0
	110,211,5
Net adjustment 1927	52,877,2

[Col. 14074]

F. Represents:

Final adjustment to Graybar Pension Fund	$325,831
Adjustment for Electrical Research Products Inc. Pension Fund.	12,448
Revaluation of holdings in Electrical Research Products Inc	4,000,000
Funds received from the issue of 250,000 shares of Common Stock at $40 per share	10,000,000
	14,338,279
Less Transfer of Surplus to Common Stock	25,000,000
Net adjustment 1928	10,661,721

(Here follows 1 paster, folio 14075.)

[Vol. 14075]

Exhibit D-77–Continued

Western Electric Company, Incorporated, Subsidiary Companies

Percentage of Total Common Stock of Subsidiary Companies Directly Owned by Western Electric Company, Incorporated, at December 31st 1916–1930

	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930
Western Electric Co., Ltd. of Canada	100.0%	100.0%	100.0%	.....	.....	.....	.....	.....	.....	100.0%	100.0%	.....	.....	.....	.....
Manufacturers' Junction Ry. Co.	99.9	99.9	99.9	99.9%	99.9%	99.9%	99.9%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
International Western Electric Co., Inc.	.....	.....	.....	100.0	100.0	100.0	100.0	100.0	100.0	.....	.....	.....	.....	.....	.....
195 Hudson St. Corp.	.....	.....	.....	100.0	81.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5
Electrical Discount Corp.	.....	.....	.....	.....	.....	.....	100.0	100.0	100.0	.....	.....	.....	.....	.....	.....
Bell Telephone Laboratories, Inc.	.....	.....	.....	.....	.....	.....	.....	.....	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Graybar Electric Co., Inc.	.....	.....	.....	.....	.....	.....	.....	.....	.....	100.0	100.0	.....	.....	.....	.....
Western Electric Co., Ltd. (London)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	100.0	.....	.....	.....	.....
Western Electric Co., (Australia) Ltd.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	100.0	100.0	100.0	.....	.....
Electrical Research Products Inc.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	100.0	100.0	100.0	100.0
Weco Realty Corp.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	100.0	100.0
Weco Corp.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	100.0
Teletype Corp.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	100.0

Approximate Number of Majority Owned Companies of the Above Subsidiaries

Western Electric Co., Ltd. of Canada	6	6	7	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
International Western Electric Co., Inc.	.....	.....	.....	8	9	10	10	11	11	.....	.....	.....	.....	.....	.....
Graybar Electric Co., Inc.	.....	.....	.....	.....	.....	.....	.....	.....	.....	1	1	.....	.....	.....	.....
Electrical Research Products Inc.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4	3	19	21
Weco Corp.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
Teletype Corp.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2

EXHIBIT D-78

Western Electric Company, Incorporated. Analysis of 1925 Cost of Sales

(Dollars in Thousands)

	Grand Total	Manufacturing Department	Installation Department	Sales Department (Including Supply Department)	Headquarters
Beginning Inventory	$67,953	$28,542	$371	$38,564	$476
Additions:					
Productive Labor:					
Direct	38,087	22,689	12,027	3,371	.....
Indirect	2,423	1,511	838	74	.....
Total	40,510	24,200	12,865	3,445	.....
Expenses (Manufacturing, Installation, Distributing, Distributing Shops, General and Federal Taxes):					
Salaries and Wages	34,892	16,733	4,696	10,498	2,965
Depreciation of Plant	5,452	4,638	280	483	51
Taxes	4,629	896	13	841	2,879
Rent	2,668	299	249	1,655	465
Repairs Other	18,087	9,451	3,100	4,527	1,009
Total	65,728	32,017	8,338	18,004	7,369
Packing, Converting and Repairing, Junking, etc.	2,793	.....	.....	2,793	.....
Transportation Not Charged to Expense	7,554	.....	.....	7,554	.....
Development	9,744	466	805	517	7,956
Materials Purchased Less Process Scrap Sold	164,477	50,297	.....	112,926	1,254
Extraordinary Reserve Against Plant	2,168	.....	.....	.....	2,168
Addition to Employees' Benefit Fund	3,500	.....	.....	.....	3,500
Pension Fund Under Agreement with Graybar Electric Company, Inc.	1,400	.....	.....	.....	1,400
Total Beginning Inventory and Additions	365,827	135,522	22,379	183,803	24,123

[fol. 14077]

Exhibit D-78–Continued

	Grand Total	Manufacturing Department	Installation Department	Sales Department (Including Supply Department)	Headquarters
Less:					
Production of Plant Items and Elimination of Costs not applicable to Sales	$20,691	$13,158	$1,215	$2,342	$3,976
Operating Interest and Other Income Received	1,551	32	6	374	1,139
Unbilled Equipment Specifications and Installation Included in Receivables	956	.....	956	.....	.....
Inventory of Supply Department Sold to Graybar Electric Company, Inc.	4,490	.....	.....	4,490	.....
Ending Inventory	55,990	26,712	192	30,255	(1,169)*
Total Deductions	83,678	39,902	2,369	37,461	3,946
Net Cost of Sales	282,149	95,620	20,010	146,342	20,177

* Represents depreciation for overstocks applicable to total inventories, but placed on Headquarters' books.

Analysis of 1930 Cost of Sales
(Dollars in Thousands)

	Grand Total	Manufacturing Department	Installation Department	Telephone Sales Department	Headquarters
Beginning Inventory	$95,940	$51,414	$3,941	$40,435	$150
Additions:					
Productive Labor:					
Direct	73,323	42,354	25,358	5,611	0
Indirect	9,773	5,364	2,914	1,495	0
Total	83,096	47,718	28,272	7,106	0
Expenses (Manufacturing, Installation, Merchandising, Distributing Shops, General and Federal Taxes):					
Salaries and Wages	51,967	34,783	3,532	9,808	3,894
Depreciation of Plant	13,136	12,239	250	583	64
Taxes	2,447	616	.....	304	1,527
Rent	2,828	698	247	1,230	653
Repairs	6,959	6,610	87	262	.....
Other	23,653	5,776	5,940	10,880	1,057
Total	100,990	60,672	10,056	23,067	7,195
Less Transportation in Selling Prices	2,573	.....	.....	2,573	.....
Total Excluding Transportation	98,417	60,672	10,056	20,494	7,195
Development	14,370	0	954	0	13,416
Materials Purchased Less Process Scrap Sold	161,752	71,685	.....	87,274	2,793
Total Transportation Billed	10,428	168	.....	10,260	.....
Total Beginning Inventory and Additions	464,003	231,657	43,223	165,569	23,554
Less:					
Production of Plant Items and Elimination of Costs not applicable to Sales	27,893	22,783	1,454	3,423	233
Operating Interest Received	888	54	2	846	(14)
Ending Inventory	86,678	39,103	3,236	44,341	(2)
Total Deductions	115,459	61,940	4,692	48,610	217
Net Cost of Sales	348,544	169,717	38,531	116,959	23,337

8929

[fol. 14079] EXHIBIT D-81

Standard and Current Cost of Copper Bar and Lead Purchased by Manufacturing Department, 1918–1931

(Prices per Cwt. F. O. B. Factory)

	Copper Bar (a)		Lead	
	Standard cost	Average current cost	Standard cost	Average current cost
1918	.....	.....	$4.50	$7.48
1919	.....	.....	4.50	5.73
1920	.....	.....	4.50	7.92
1921	.....	.....	8.50	4.36
1922	.....	.....	5.00	5.50
1923	.....	.....	5.00	7.36
1924	$18.00	$13.33	5.00	7.92
1925	15.00	14.49	5.00	8.96
1926	15.00	14.22	8.00	8.43
1927	15.00	13.35	8.00	6.89
1928	15.00	14.81	8.00	6.30
1929	15.00	18.03	8.00	6.83
1930	15.00	13.85	8.00	5.60
1931	15.00	10.40	8.00	4.22

A. Prior to 1924, copper wire was purchased.

EXHIBIT D-82

May 26, 1927.

Mr. H. L. Gary, Kansas City, Missouri.

DEAR MR. GARY:

Referring to the memorandum of agreement this day made between International Telephone Sales and Eng- [fol. 14080] neering Corporation and Electrical Research Products, Inc. providing for payment by the former to the latter of several amounts aggregating $4,000,000.00, I agree that in the event the results should not conform to expectations between now and December 31, 1930, I, or my successor, will, upon a proper showing of facts, give the matter fair consideration and reduce the amount from $4,000,000.00 to some intermediate figure not below $3,000,000.00. After December 31, 1930, however, no reduction in the basic amount will be considered.

In the event that such claim should be made and I am not then president of Electrical Research Products Inc. I obligate myself to see that this phase of the arrangement is carried out in good faith.

Yours very truly, (Signed) Edgar S. Bloom, President.

EXHIBIT D-83

Approximate Purchases from Certain Suppliers, 1916–1930 (A) (B)

(Dollars in Thousands)

	American Electrical Works	Automatic Electric Company	Kellogg Switchboard and Supply Company	Reliable Electric Company	Stromberg-Carlson Tel. Mfg. Company	Total
1916	186	.....	2	33	2	223
1917	361	9	2	38	14	424
1918	162	143	7	20	11	343
1919	154	417	27	61	53	712
1920	604	1,967	69	63	120	2,823
1921	344	4,660	61	33	827	5,925
1922	75	4,505	79	42	536	5,237
1923	224	4,170	474	60	947	5,875
1924	95	6,435	2,354	294	1,222	10,400
1925	46	7,555	1,302	260	1,709	10,872
1926	...	6,620	1,412	284	1,012	9,328
1927	...	4,442	1,445	280	758	6,925
1928	...	3,623	609	335	713	5,280
1929	70	4,804	1,473	693	1,189	8,229
1930	...	5,497	1,307	542	1,948	9,294
Total	2,321	54,847	10,623	3,038	11,061	81,890

(A) Excluding purchases of Western Electric contained apparatus where determinable.

(B) Purchases were made at agreed upon prices except in the case of purchases from Automatic Electric Company which were made on a cost plus basis.

EXHIBIT D-84

[fol. 14081] Rented Area Leased July 1, 1929, and After at Manufacturing Locations

	Square Feet
July, 1929:	
430 Communipaw Ave., Jersey City	148,000
Warren, Newark and Wilsey Sts., Newark	46,000
43rd and Damen Ave., Chicago	150,000
Oct., 1929:	
620 So. Kilbourne Ave., Chicago	106,000
Nov., 1929:	
39th Place and Lincoln, Chicago	35,000
1201 Flushing Ave., Brooklyn	71,000
	556,000

Equivalent to approximately 13 acres.

Represents between 8% and 9% of total space at manufacturing locations as of 12-31-29.

[fol. 14082] EXHIBIT D-86

Depreciation Expense Included in Cost of Plant Made, 1916 to 1931, Inclusive

(Dollars in Thousands)

	Plant made by Mfg. Dept. for Mfg. Dept.	Depreciation Expense Included in Cost of Plant Made
1916	962	48
1917	2,167	115
1918	2,021	91
1919	1,835	86
1920	3,287	171
1921	4,712	212
1922	3,177	127
1923	2,999	99
1924	4,830	169
1925	3,497	133
1926	3,562	114
1927	4,854	165
1928	5,326	239
1929	13,051	483
1930	9,728	447
1931	6,064	327
Total 1916-31	72,072	3,026
Total 1923-31	53,911	2,176

EXHIBIT D-87

Total 1929 Average Investment, Bell and Non-Bell Business, with Percentage Apportioned on Basis of Standard Cost of Sales

	Average Investment	Percentage Apportioned on Cost of Sales Basis of Standard
Plant	$109,953,000	96%
Merchandise	82,843,000	72%
Receivables	54,757,000	5 (A)
Cash	9,754,000	97
Current Payables (Deduct)	26,381,000 (red)	76
	$230,926,000	68

(A) Apportioned on Basis of Sales.

[fol. 14083] EXHIBIT D-88

Total 1929 Expenses and Operating Interest, Bell and Non-Bell Business, with Percentage Apportioned on Basis of Standard Cost of Sales

		Percentage Apportioned on Basis of Standard Cost of Sales
Development Expense	$11,024,000	100%
Merchandising and General Expenses	25,275,000	63
Federal Taxes	2,092,000	0
Total Expenses	$38,391,000	70%
Operating Interest	883,000	20

EXHIBIT D-89

Resolutions of Board of Directors Authorizing Extraordinary Depreciation

March 17, 1925.—"Resolved that there be and hereby is appropriated from the profits of 1924 the amount of $1562539 for an extraordinary depreciation reserve on permanent plant of the manufacturing department at Hawthorne and Kearny works."

March 12, 1926.—"Resolved that there be and hereby is appropriated from the profits of 1925 the amount of $2167759 for an extraordinary depreciation reserve on permanent plant of the manufacturing department at Hawthorne and Kearny works."

March 1, 1927.—"Resolved that the action of the officers in setting aside $2101855 as extraordinary depreciation reserve on permanent plant of the manufacturing department at Hawthorne and Kearny works be and is hereby approved."

February 21, 1928.—"Resolved that the action of the officers in setting aside $1803103 as extraordinary depreciation reserve on permanent plant of the manufacturing department at Hawthorne and Kearny works be and is hereby approved."

[fol. 14084] EXTRACTS FROM EXHIBIT D-90

March 3, 1927.

Extraordinary Depreciation on Plant

It is recommended that an extraordinary depreciation reserve on plant be made in 1926 in the amount of $2,101,855 and charged to Profit and Loss. This amount is arrived at as follows:

1. Hawthorne:

A. Buildings and Permanent Fixtures $448,588

Mr. Lincoln has estimated that the construction cost index figure for the ten years 1930-1939 will be 154 on the average, taking 1914 as 100. If we make an extraordinary depreciation reserve in 1926 to cover the excess construction cost in the particular years in which the actual cost exceeded 154 we would write off at Hawthorne $2,040,752 as follows:

	Buildings	Permanent fixtures	Total
1918	$3,174	$2,142	$5,316
1919	26,362	12,887	39,249
1920	563,822	166,152	729,974
1921	287,020	207,694	494,714
1922	37,944	26,064	64,008
1923	218,280	141,240	359,520
1924	98,802	139,788	238,590
1925	35,728	35,728	71,456
1926	23,310	14,615	37,925
	1,294,442	746,310	2,040,752

In addition to depreciation at regular rates we have, in the past, made extraordinary depreciation reserves in 1913 and in the war years covering amortization of excess costs, and in 1924 and 1925 for the large construction program of recent years carried on at a higher cost than it is believed would normally prevail.

If we apply this extraordinary depreciation reserve on buildings, $1,010,000, against the excess cost of construction as noted above, a further reserve of $284,442 is necessary to bring the construction cost in excess years down to the 154 index figure.

[fol. 14085] In the case of permanent fixtures, if we apply this extraordinary depreciation reserve, $582,164, against the excess cost of construction as noted above, a further reserve of $164,146 is necessary to bring the construction costs in excess years down to the 154 index figure.

I recommend, therefore, that an extraordinary reserve be made of $284,442 on buildings and $164,146 on permanent fixtures.

The attached statements show the reserve on buildings at Hawthorne as 47% of the face value at the end of 1926 as compared with

44% at the end of 1925;
41 at the end of 1915.

If the extraordinary reserve of $284,442 recommended above is made, the reserve on Hawthorne buildings at December 31, 1926 will be 50%.

The depreciation reserve on permanent fixtures at Hawthorne as shown on the attached statement, is 55% of the face value at the end of 1926 as compared with

51% at the end of 1925;
54 at the end of 1915.

If the extraordinary reserve of $164,146 recommended above is made, the reserve on Hawthorne permanent fixtures at December 31, 1926 will be 57%.

B. Machinery $227,318

Mr. Lincoln's study indicates that the machinery cost index of construction for the next ten years will average 171 taking 1914 as 100. If we make an extraordinary reserve in 1926 to cover the excess cost of construction in those years in which the cost exceeded the estimated average cost, it would mean writing off for

1919	$13,185
1920	446,661
1921	410,785
1922	164,346
1923	216,775
1924	386,750
1925	204,452
1926	265,754
	$2,108,708

[fol. 14086] The extraordinary depreciation reserve made in 1913 and the amortization of machinery in the war years and the extraordinary depreciation reserve made in 1924 and 1925 to revalue purchases of machinery in the years of high cost to an average cost level for the next ten years, then estimated to be 175, will take care of $1,881,390 of this amount, leaving $227,318 to be written off in 1926 and I recommend, therefore, that a reserve in this amount be made this year.

This would make the depreciation reserve on Hawthorne machinery 65% of the face value at the end of 1926. If this reserve is not made, the depreciation reserve would be 64% of the face value at the end of 1926 as compared with

63% at the end of 1925;
72 at the end of 1915.

2. Kearny:

A. Buildings and Permanent Fixtures $1,125,494

Mr. Lincoln estimates that the average cost index of construction at Kearny for the next ten years will be 168 on the average, taking 1914 as 100. If we make an extraordinary depreciation reserve in 1926 to cover the excess construction cost at Kearny, we would write off $2,760,494 as follows:

	Building	Permanent fixtures	Total
1923	$101,050	$25,585	$126,635
1924	934,510	226,452	1,160,962
1925	575,468	396,304	971,772
1926	329,160	171,965	501,125
	1,940,188	820,306	2,760,494

In 1925, in addition to the depreciation at regular rates, we made an extraordinary depreciation reserve to revalue the Kearny plant to the average cost level for the next ten years. The index figure for the next ten years was then estimated at 170.

If we apply the extraordinary depreciation reserves on buildings and permanent fixtures made in 1924 and 1925 amounting to $1,169,000 and $466,000, respectively, against the excess cost of construction as noted above, a further reserve of $771,188 on buildings and $354,306 on perma-

nent fixtures, a total of $1,125,494, is necessary to bring the construction cost in these years down to the 168 index. [fols. 14087-14110] I recommend, therefore, that an extraordinary reserve of $1,125,494 be made on buildings and permanent fixtures at Kearny.

The depreciation reserve on Kearny buildings and permanent fixtures at December 31, 1926 is 15% and 18%, respectively. If extraordinary depreciation is written off in 1926 in accordance with the above recommendation, these rates will be 24% and 27%, respectively.

B. Machinery $300,455

Mr. Lincoln estimates that the average cost index of construction at Kearny for the next ten years will be 171 taking 1914 as 100. On this basis, if we make a depreciation reserve to cover excess construction cost at Kearny, we would make an extraordinary depreciation reserve in 1926 amounting to $602,455 as follows:

1923	$109,765
1924	201,110
1925	143,306
1926	148,274
	602,455

In 1925, in addition to the depreciation at regular rates, we made an extraordinary depreciation reserve to revalue Kearny machinery to the average cost level for the next ten years. The index figure for the next ten years was then estimated at 175.

If we apply this extraordinary depreciation reserve made in 1924 and 1925 on machinery amounting to $302,000 against the excess cost of construction as noted above, a further reserve of $300,455 is necessary to bring the construction cost in excess years down to the 171 index.

I recommend, therefore, that an extraordinary reserve of $300,455 be made on machinery at Kearny.

The depreciation reserve on Kearny machinery at December 31, 1926 is 23%. If extraordinary depreciation is written off in 1926 in accordance with the above recommendation, this rate will be 30%.

The total extraordinary depreciation for 1926 as recommended above amounts to $2,101,855.

R. H. Gregory.

[fol. 14111] EXHIBIT D-93

February 27, 1932

Total Expense on Radio to December 31, 1931

Year	Billed by B. T. L.	Incurred by D. & R.	Total
1910	$.....	$52	$52
1911	.....	269	269
1912	.....	765	765
1913	.....	793	793
1914	4,743	2,265	7,008
1915	34,381	19,601	53,982
1916	65,046	839	65,885
1917	32,893	16	32,909
1918	26,743 cr.	95	26,648 cr.
1919	226,627	567	227,194
1920	677,267	40,158	717,425
1921	388,066	39,967	428,033
1922	292,090	74,776	366,866
1923	289,470	115,032	404,502
1924	353,971	219,905	573,876
1925	441,507	309,711	751,218
1926	471,591	438,673	910,264
1927	808,168	272,770	1,080,938
1928	859,524	215,958	1,075,482
1929	1,284,974	356,641	1,641,615
1930	1,600,243	409,656	2,009,899
1931	887,571	299,944	1,187,515
Total	$8,691,389	$2,818,453	$11,509,842

EXTRACTS FROM EXHIBIT D-94

Chart III

Department of Development and Research

Expense of Development Work for Year 1920 (including Western Electric Development Bills)

. . . . . .

Total expense for year 1920 ..... $2,596,429

[fol. 14112] EXTRACTS FROM EXHIBIT D-95

Chart II

Western Electric Engineering Expense Chargeable to Department of Development and Research (incurred in 1921)

Comparison with Budget, December 31, 1921

	Cumulative 12 Mos.	Budget 1921
Grand total	$1,089,158	$1,165,000

Extracts from Exhibit D-96

Chart III

Western Electric Engineering Expense Billed to Department of Development and Research

Comparison with Budget for Year Ending December 31, 1922

	Total for Year	Budget 1922
Grand total	$1,021,057	$1,356,000

Exhibit D-97

Western Electric Company, Inc.

Number of Employees of Western Electric Company, Inc., 1916–1930

Year	Number of employees at January 1	Additions during year (Approximate)	Separations during year (Approximate)	Number of employees at December 31
1916	17,135	Not available	Not available	26,878
1917	26,878	Not available	Not available	30,737
1918	30,737	Not available	Not available	26,126
1919	26,126	19,611	18,153	27,584
1920	27,584	44,000	31,934	39,650
1921	39,650	44,422	38,829	45,243
1922	45,243	46,211	40,292	51,162
1923	51,162	68,602	55,956	63,808
1924	63,808	33,410	48,061	49,157
1925	43,922*	15,802	20,264	39,460
1926	39,460	29,121	23,471	45,110
1927	45,110	14,787	19,332	40,565
1928	40,565	31,813	16,054	56,324
1929	56,324	65,416	36,892	84,848
1930	84,848	17,253	37,848	64,253

* Excludes Supply and Engineering Departments.

(Copied from Company's Statement.)

[Vol. 14113]

Exhibit D-99

American Telephone and Telegraph Company

Prices Charged Licensee Companies for Instruments Based on Average Current Cost to American Tel. and Tel. Co. Less 20%

	Instruments Purchased by A. T. and T. Co. from W. E. Co. during Nine Months Ending Sept. 30, 1927				
	Number (1)	Cost (2)	Average Cost per Instrument (3)	20% of Average Cost (4)	Price Charged Licensee Companies (Col. 3) less (Col. 4) (5)
Switchboard:					
Receivers	51,784	$93,177.05	1.7993	$.3599	$1.44
Transmitters	15,302	33,032.54	2.1587	.4317	1.73
Induction Coils	14,801	12,517.93	.8457	.1691	.68
Station:					
Receivers	855,359	1,033,131.69	1.2078	.2416	.97
Transmitters	963,624	1,328,718.73	1.3737	.2747	1.10
Induction Coils	695,083	330,051.22	.4748	.0950	.38
Hand Sets	.....	.....	13.50	2.70	*6.90

* This price ($6.90) represents price at which billed to American Company [illegible] 20% further reduced by special adjustment.

(Here follows 1 photo, folio 14114)

EXHIBIT D-100

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ANALYSIS OF RESERVE FOR DEPRECIATION OF TELEPHONE INSTRUMENTS

YEARS 1923 - 1927

Year	Reserve for Accrued Depreciation Beginning of Year (1)	Amount of Depreciation Charged Expense and Credited to Reserve (2)	Book Value of Instruments Retired (3)	Cost of Returning Instruments to Repair Shops for Salvage (4)
1923	*$14,236,028	$2,133,172	$ 960,283	$24,315
1924	15,707,057	2,390,753	1,153,395	34,078
1925	17,393,919	2,648,084	1,342,691	44,858
1926	19,130,712	2,920,151	1,404,318	37,963
1927 (Transactions prior to sale of instruments)	21,142,833	3,150,992	1,411,025	15,076
Adjustments concurrent with and incidental to sale to licensee companies December 31:				
Instruments held by Western Electric Company to be repaired or salvaged, sold to that Company			651,078	
Less - Adjustment of excess credit from Western Electric Company to American Tel. and Tel. Co. on instruments previously returned by licensee companies for repairs				
Net adjustments			651,078	
Balance as adjusted			x x x	
Transferred to Long Lines Department at book value less depreciation accrued in reserve			35,893	(2)
Balance applicable to instruments sold to Licensee companies December 31			x x x	
Sold to licensee companies December 31 at Average Current Cost less 20%			46,388,314	(1)

Year	Reserve for Accrued Depreciation Beginning of Year (1)	Depreciation Charged Expense and Credited to Reserve (2)	Book Value of Instruments Retired (3)	Returning Instruments to Repair Shops for Salvage (4)
1923	*$14,236,028	$2,133,172	$ 960,283	$24,315
1924	15,707,057	2,390,753	1,133,395	34,078
1925	17,393,919	2,648,084	1,342,691	44,858
1926	19,130,712	2,920,151	1,404,318	37,963
1927 (Transactions prior to sale of instruments)	21,142,833	3,150,992	1,411,025	15,076
Adjustments concurrent with and incidental to sale to licensee companies December 31:				
Instruments held by Western Electric Company to be repaired or salvaged, sold to that Company			651,078	
Less - Adjustment of excess credit from Western Electric Company to American Tel. and Tel. Co. on instruments previously returned by licensee companies for repairs				
Net adjustments			651,078	
Balance as adjusted			x x x	
Transferred to Long Lines Department at book value less depreciation accrued in reserve			35,893	(2)
Balance applicable to instruments sold to Licensee companies December 31			x x x	
Sold to licensee companies December 31 at Average Current Cost less 20%			46,383,314	(1)
Balance			x x x	

* Includes $5,629,447 transferred from appropriated surplus in July, 1912.

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July 6, 1931.

EXHIBIT D-100

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ANALYSIS OF RESERVE FOR DEPRECIATION OF TELEPHONE INSTRUMENTS

YEARS 1923 - 1927

	Reserve for Accrued Depreciation Beginning of Year (1)	Amount of Depreciation Charged Expense and Credited to Reserve (2)	Book Value of Instruments Retired (3)	Cost of Returning Instruments to Repair Shops for Salvage (4)	Salvage (5)	Net Charges to the Reserve (6)	Reserve for Accrued Depreciation End of Year (7)
. . . . .	*$14,236,028	$2,133,172	$ 960,283	$24,315	$ 322,455	$662,143	$15,707,057
. . . . .	15,707,057	2,390,753	1,153,395	34,078	485,582	701,891	17,398,919
. . . . .	17,398,919	2,648,084	1,342,691	44,858	474,308	913,241	19,130,712
. . . . .	19,130,712	2,920,151	1,404,318	37,963	534,251	908,030	21,142,833
s)	21,142,833	3,150,992	1,411,025	15,076	478,181	947,920	23,345,908
l to sale							
pany to Company			651,078		370,569	x x x	x x x
Western l. and sly for					252,282	x x x	x x x
. . . . .			651,078		118,287	x x x	532,791
. . . . .			x x x		x x x		22,813,114
k value			35,893	②	18,165	x x x	17,728

	Reserve for Accrued Depreciation Beginning of Year (1)	Amount of Depreciation Charged Expense and Credited to Reserve (2)	Book Value of Instruments Retired (3)	Cost of Returning Instruments to Repair Shops for Salvage (4)	Salvage (5)	Net Charges to the Reserve (6)	Reserve for Accrued Depreciation End of Year (7)
. . . . .	*$14,236,038	$2,133,172	$ 960,283	$24,315	$ 322,455	$662,143	$15,707,057
. . . . .	15,707,057	2,390,753	1,133,395	34,078	485,582	701,891	17,393,919
. . . . .	17,393,919	2,648,084	1,342,691	44,858	474,308	913,241	19,130,712
. . . . .	19,130,712	2,920,151	1,404,318	37,963	534,251	908,030	21,142,833
nonts)	21,142,833	3,150,992	1,411,025	15,076	478,181	947,920	23,345,908
ctal to sale							
c Company to that Company			651,078		370,569	x x x	x x x
from Western an Tel. and rviously ies for					252,282	x x x	x x x
. . . . .			651,078		118,287	x x x	532,791
. . . . .			x x x		x x x		22,813,114
t book value			35,893	(2)	18,165	x x x	17,728
to			x x x		x x x		22,795,386 (4)
at Average Current Cost less 20%			46,583,314	(1)	38,183,727 (3)	x x x	8,399,587
. . . . .			x x x		x x x	x x x	414,395,799 (5)

cludes $5,629,447 transferred from appropriated surplus in July, 1912.

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[fol. 14115] EXTRACTS FROM DEF'T'S EX. D-101

American Telephone and Telegraph Company,
195 Broadway

New York, March 24, 1921.

Mr. Frank S. Fowler, Chief of Depreciation Section, Interstate Commerce Commission, Washington, D. C.

DEAR SIR:

In response to your letters of January 6 and February 2, 1921, requesting a statement of our views regarding depreciation accounting for telephone companies, with particular reference to questions presented in connection with Section 20 of the Interstate Commerce Act as amended February 28, 1920, we beg to submit the following on behalf of the companies comprising the Bell System (List attached).

General Statement of Bell System Practice

It has been the practice of the telephone companies comprising the Bell System to provide depreciation reserves in order that the capital invested in depreciable property may continuously be maintained unimpaired. This practice is in accord with the policy set forth on pages 22 to 24, inclusive, in the Twentieth Annual Report of the Interstate Commerce Commission on the Statistics of Railways in the United States for the year ending June 30, 1907. The depreciation reserves of Bell System Companies are built up by monthly or annual charges against earnings in such amounts as will distribute, as nearly as may be, evenly throughout the service life of the property, the cost of capital consumed in operation. The amount of these charges depends upon the cost of the plant, its service life, and the net salvage to be realized upon retirement. In telephone plant the service life rarely equals the actual physical life of plant. Plant may be in good physical condition but due to public requirement, inadequacy, obsolescence, etc., it is removed and new plant substituted therefor before it is worn out, as a result of physical deterioration. For example, underground construction may be substituted for overhead construction; a common battery exchange may be substituted for a magneto system exchange;

[fol. 14116] new and improved facilities of various kinds may be substituted for existing facilities; or plant may be destroyed by storms or other casualties and rebuilt. All these factors have a direct bearing upon the service life of the plant, and this service life in turn determines the rate of the monthly or annual charges against earnings for depreciation.

It is the aim of Bell Companies, when plant is retired from service that the depreciation reserve shall, for such plant, contain an amount equal to the original cost of the plant retired plus cost of removal less salvage recovered. These companies consider that any practice which does not provide for the consumption of capital by charges to Operating Expenses during the service life of property is a wrong practice, and one which is detrimental to the maintenance of stable and efficient telephone service.

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5. Inadequacy:

The growth of the business is necessarily such that the plant which was considered adequate for a reasonable future period when installed has become inadequate to care for the growth of the business and must be replaced with plant of larger capacity. The importance of this item is that normally telephone plants are of rapid growth, and that it is generally impossible, in a growing community, to economically build — plant which will not become inadequate before it has reached the end of its physical life.

• • • • • • •

III. Bases Upon Which Depreciation Charges Should be Accrued

(a) Accruals should be based on original cost or investment.

All telephone property, excepting land, is subject to depreciation and the continual consumption of the investment is a part of the cost of the service and must be provided for by charges against earnings.

The sound theory is that the charges to the reserve for depreciation should be based on the original cost of the [fol. 14117] property retired, less the net salvage credit. This is demonstrated by the following considerations:

1. The function of the depreciation reserve is to amortize the portion of the expense of conducting the business caused by using up this depreciable property.

2. The actual amount of this expense is the original cost of this property less net salvage credits.

3. This method is equitable in that it provides for the amortization of the actual investment during the period it is consumed in rendering the service.

4. Upon this theory the amount to be credited by the reserve is definite and fixed so that the periodical charges to operating expenses on account of the reserve can be made certain.

5. This method tends to certainty and definiteness in the accounting.

The current charges against earnings and concurrent credits to the reserve should be based on the investment, that is, on the original cost, of the depreciable property, its service life and the estimated net salvage to be realized (see Section II above), in order that by the time such property goes out of service there shall have been accumulated in respect thereof a reserve equal to its original cost plus the expenses incident to removal less the value of any salvage. We know of no other practical way to maintain the integrity of the investment in depreciable property devoted to the telephone business. When retirements of such property occur the original cost of the plant can then be credited to the investment account and concurrently charged to the depreciation reserve. In this manner the investment always shows the actual investment in, or cost of, the property actually in use. This practice follows the principles prescribed by the Interstate Commerce Commission in its System of accounts.

The depreciation reserve underlies and protects a company's investment in depreciable fixed capital as a whole. It is our view that no subdivisions of the reserve per se should, or can properly, be set up for any particular units or classes of property or for territorial divisions of a company's property. When depreciable property is retired [fol. 14118] from service for any cause the original cost plus the cost of removal less salvage should be charged to this single reserve which is provided in respect of the com-

pany's entire depreciable property. While some units of property may remain in service beyond their expected service life, other units are retired before they reach the end of their expected service life. In determining the rate of depreciation and the expected life, consideration is given to such variations in order that the reserve will provide for retirements based upon the average expected life. A depreciation reserve on this basis will not, of course, at any particular time, except by mere coincidence, represent the actual physical deterioration in the plant, for in addition to providing for deterioration actually in evidence the reserve provides for facts and contingencies which may not yet be manifest, but which, from past experience, are certain of realization, e. g., obsolescence, inadequacy, public requirements, casualties, etc., within the period of service life on the basis of which the reserve is set up.

(b) Straight Line Method:

The straight line method is used by Bell System Companies in accruing depreciation. Of all known methods this one is the most practical and the simplest of application. It obviates complicated interest calculations and distributes uniformly and equitably over the life of the property the loss in investment occasioned by depreciation. It is the only practicable method of procedure in the telephone business, because the life of telephone plant is relatively short, such plant is continually growing, renewals thereof are frequent, and changes in the art are constant. These conditions are all met by the straight line method.

IV. The Necessity for Accruals

Depreciation is continuous from the moment any unit or units of telephone property are installed until such units are retired. Inasmuch as depreciation is a proper charge against earnings to maintain the integrity of the investment, in order to properly and uniformly maintain such integrity requires that provision be made for the protection of the investment while the consumption by use of the property devoted to the service is in progress. Otherwise [fol. 14119] the integrity of the investment is not maintained. A mere promise to provide for retirement at the end of the period or life is not sufficient. If no reserve

were provided uniformly during the service life of the property to take care of capital consumed in operation, companies would be compelled to charge fluctuating rates or make inroads into their earnings when retirements of property become necessary. Accruals, therefore, are made and reserves are built up by a uniform monthly or annual charge, first, to give protection to the investment, second, to insure stability of telephone service, and third, to keep the charges for service to the user equitably distributed and as reasonably stable and uniform as possible.

• • • • • • •

Depreciation Has Been Recognized in the Accounts of the Bell System Since 1884

The rules regarding depreciation accounting prescribed by your Commission have been followed by the Bell System since January 1, 1913, the effective date of the System of Accounts. From January 1, 1910, to January 1, 1913, depreciation was handled in practically the same manner as that now prescribed by the Commission with some minor exceptions. Prior to 1910 and as far back as 1884 depreciation was recognized in the accounts but under a method differing somewhat from the one now in use but aiming to bring about the same general result.

The depreciation reserve now carried by the Bell System is therefore the result of the depreciation policy followed since 1884, the last eleven years being on a practically uniform basis and in accordance with the Commission's regulations set forth in the Uniform System of Accounts.

• • • • • • •

Interest During Construction

The amount carried in the fixed capital account "Interest during Construction" consists of interest charges accrued during the construction period on investment ultimately charged to the tangible fixed capital accounts involved. Since this amount is a part of the cost of property it is subject to depreciation at the same rate as the plant to [fol. 14120] which it pertains. Therefore, the monthly or annual depreciation charges against earnings should include provision for the ultimate retirement of the "Interest during Construction" element of investment, these charges to be based upon the composite or average rate applicable to related plant accounts.

Under this method the interest during Construction is depreciated on practically the same rates as those applying on the plant in respect of which such interest has been set up. It would be preferable if "Interest during Construction" were not carried in a separate fixed capital account but were distributed among the several tangible fixed capital accounts. In such case the proper depreciation rate would be applied against the entire investment in each class of plant and as plant is retired the proper amount of related interest during construction would be automatically written off.

P. 10

In conclusion we desire to bring to the attention of the Commission the following general phases of the subject under consideration:

The rates used and the practices followed by the Bell System Companies are the result of the best expert judgment and experience which we have been able to bring to th- subject, due weight being given to all pertinent factors. Experience has proven that the depreciation accounting procedure followed by our companies is sound in principle and produces proper results. While it may, and probably will, be necessary to revise rates slightly from time to time in the future, as has been done in the past, it is believed that the rates now applied are correct. Since these methods and practices have generally been accepted as sound and proper and are consistent with the rules so far prescribed by the Commission, we respectfully recommend that they be continued with the exception of the treatment now prescribed for Right of Way and Other Intangible Capital.

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Bell System Companies have followed consistently for a long period the practice of setting up depreciation on all depreciable property, and their experience gives them trustworthy data which may be used in the present study of depreciation. Full information regarding depreciation of telephone property is available and can be placed at the [fol. 14121] disposal of the Commission. With these data at hand, the Commission will, we believe, be in a position to pass upon the question of depreciation accounting for telephone companies without delay.

The telephone business has the following important characteristics:

(a) There is a continuous and rapid growth of the plant nd extension of territory which demands additional facili- ies and new capital.

(b) The plant consists of a large number of small in- egral but expensive parts.

(c) The plant and equipment are of relatively short serv- e life insofar as a very considerable portion thereof is ncerned.

(d) There is a constant replacing of existing plant due changes in the art, public requirements, etc.

(e) There is a constant change in location of plant to eet the demands of the users of the service.

The subject of depreciation is a vital one to telephone dustry. It is very intimately related to the question of ancing, and constantly arises in connection with admin- trative and operating matters. In determining the rates depreciation for telephone property the peculiarities and eds of that business should be given independent con- deration.

. . . . . .

(Here follows 4 pasters, folios 14122-14125)

[fol. 14122]

EXHIBIT D-102

Prices of Transmitters, Receivers and Induction Coils Sold to Both Bell and Non-Bell Customers from January 1, 1916, to December 31, 1925

	1916					1917					1918		
	Bell		Non-Bell*(G)			Bell		Non-Bell*			Bell		Non-Bell*
Transmitters:	1/1 to 3/15	3/16 to 12/31	1/1 to 4/2	4/3 to 9/24	9/25 to 12/31	1/1 to 3/15	3/16 to 12/31	1/1 to 3/19	3/20 to 12/19	12/20 to 12/31	1/1 to 10/15	10/16 to 12/31	1/1 to 12/31
234	$1.325	$1.465	$2.20	$2.40	$2.60	$1.465	$1.575	$2.60	$3.25	$3.00	$1.575	$1.70	$3.00
244	1.065	1.48			2.25	1.48	1.445	2.25	2.81	2.75	1.445	1.46	2.73
266	.675	.725			1.20	.725	.81	1.20	1.50	1.50	.81	.87	1.50
311	.88	1.06			1.75	1.06		1.75	2.20	1.95			1.95
312					3.35			3.35	4.19	3.75			3.75
323												1.375	
329	.875	1.105	1.50	1.75	1.75	1.105	1.315	1.75	2.20	2.00	1.315		2.00
337													
350	.955	1.295			2.00	1.295	1.66	2.00	2.50	2.25	1.66		2.25
353 Pressed Arm												1.72	

	Bell		Non-Bell*(G)			Bell		Non-Bell*			Bell		Non-Bell*
Receivers:	1/1 to 3/15	3/16 to 12/31	1/1 to 5/31	6/1 to 9/24	9/25 to 12/31	1/1 to 3/15	3/16 to 12/31	1/1 to 3/7	3/8 to 12/19	12/20 to 12/31	1/1 to 10/15	10/16 to 12/31	1/1 to 12/31
127	$	$	$	$	$2.25	$	$	$2.25	$2.81	$2.80	$	$	$2.80
128	1.075	1.06	1.45	1.65	1.65	1.06	1.27	1.65	2.05	2.25	1.27	1.42	2.25
131	1.41	1.56			2.00	1.56	1.645	2.00	2.50	2.50	1.645	1.765	2.50
144	.915	.885	1.14	1.25	1.25	.885	.94	1.25	1.55	1.45	.94	.96	1.45
146	1.33				1.75			1.75	2.20	2.25		1.495	2.25
157	1.26	1.32			2.35	1.32	1.475	2.35	2.94	2.60	1.475	1.60	2.60
528													

	Bell	Non-Bell*(G)				Bell		Non-Bell*			Bell		Non-Bell*
Induction Coils:	1/1 to 12/31	1/1 to 4/2	4/3 to 7/23	7/24 to 9/24	9/25 to 12/31	1/1 to 6/15	6/16 to 12/31	1/1 to 3/7	3/8 to 12/19	12/20 to 12/31	1/1 to 10/15	10/16 to 12/31	1/1 to 13/31
5	$ .345	$	$	$	$1.30	$ .345	$ .615	$1.30	$1.625	$1.65	$ .615	$ .545	$1.65
10	.82(D)	1.50	1.65	1.65	1.00		.88	1.70	2.125	2.00	.88	.965	2.00
13	.345	.35	.40	.45	.50	.345	.615	.50	.625	.75	.615	.545	.75
20	.345	.55	.60	.60	.70	.345	.615	.70	.875	.95	.615	.545	.95
23	.82	.90	1.00	1.00	1.20	.82	.88	1.20	1.50	2.00	.88	.965	2.00
24	.82	1.10	1.25	1.25	1.40	.82	.88	1.40	1.75	2.25	.88	.965	2.25
29					.60			.60	.75	.85			.85
31	.345				.50	.345	.615	.50	.625	.75	.615	.545	.75
46													

*The Non-Bell prices shown on this statement are the minimum prices charged to the general trade (Non-Bell Operating Companies) by the Supply Department of the Western Electric Company.

[fol. 14123]

EXHIBIT D-102—Continued

Prices of Transmitters, Receivers and Induction Coils Sold to Both Bell and Non-Bell Customers from January 1, 1916, to December 31, 1925

	1919				1920				1921				
	Bell		Non-Bell*		Bell		Non-Bell*		Bell		Non-Bell*		
Transmitters:	1/1 to 8/15	8/16 to 12/31	1/1 to 10/31	11/1 to 12/31	1/1 to 9/15	9/16 to 12/31	1/1 to 5/31	6/1 to 12/31	1/1 to 11/15	11/16 to 12/31	1/1 to 8/31	9/1 to 12/26	12/27 ro 12/31
234	$1.70	$2.37	$3.00	$3.75	$2.37	$3.04	$3.75	$4.50	$3.04	$2.25	$4.85	$4.00	$3.25
244	1.46	1.85	2.75	3.00	1.85	2.32	3.00	3.50	2.32	1.69	3.50	3.10	2.25
266	.87	1.17	1.50	1.90	1.17	1.47	1.90	2.25	1.47	.....	2.55	2.15	1.60
311	.....	.....	1.95	2.20	.....	.....	2.20	2.65	.....	.....	2.65	2.45	1.85
312	.....	.....	3.75	4.55	.....	.....	4.55	5.45	.....	.....	5.45	5.00	3.80
323	1.375	1.53	2.00(A)	2.25	1.53	1.87	2.25	2.70	1.87	1.37	2.70	2.50	1.90
329	.....	.....	2.00	2.25	.....	.....	2.25	2.70	.....	.....	2.70	2.50	1.90
337	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.47	.....	.....	.....
350	.....	.....	2.25	2.85	.....	.....	2.85	3.40	.....	.....	.....	.....	.....
353 Pressed Arm	1.72	1.93	.....	2.65(B)	1.93	2.34	2.65(B)	3.15(B)	2.34	1.72	3.50(B)	3.10(B)	2.40(B)

	Bell		Non-Bell*			Bell		Non-Bell*		Bell		Non-Bell*		
Receivers:	1/1 to 8/15	8/16 to 12/31	1/1 to 4/11	4/12 to 10/31	11/1 to 12/31	1/1 to 9,15	9/16 to 12/31	1/1 to 5/31	6/1 to 12/31	1/1 to 11/15	11/16 to 12/31	1/1 to 8/31	9/1 to 12/26	12/27 to 12/31
127	$.....	$.....	$2.80	$2.90	$4.00	$.....	$.....	$4.00	$.480	$.....	$.247	$4.50	$4.25	$3.40
128	1.42	.....	2.25	2.40	3.30	.....	.....	3.30	4.00	.....	.....	3.65	3.00	.....
131	1.765	2.29	2.50	2.75	3.50	2.29	2.73	3.50	4.25	2.73	2.20	4.25	3.60	3.00
144	.96	1.33	1.45	1.50	2.10	1.33	1.62	2.10	2.50	1.62	1.37	2.50	2.25	2.05
146	1.495	2.00	2.25	2.50	3.25	2.00	2.68	3.25	3.99	2.68	2.17	4.35	3.70	2.90
157	1.60	2.10	2.60	.....	.....	2.10	2.86	.....	.....	2.86	2.24	.....	.....	.....
528	.....	2.00	.....	.....	.....	2.00	2.81	.....	.....	2.81	2.21	.....	.....	2.95

	Bell		Non-Bell*		Bell		Non-Bell*		Bell		Non-Bell*	
Induction Coils:	1/1 to 8/15	8/16 to 12/31	1/1 to 9/1	9/2 to 12/31	1/1 to 9/15	9/16 to 12/31	1/1 to 7/31	8/1 to 12/31	1/1 to 11/15	11/16 to 12/31	1/1 to 12/26	12/27 to 12/31
5	$.545	$.585	$1.65	$1.65	$.585	$.765	$1.65	$2.50	$.765	$.58	$4.00	$2.50
10	.965	1.96	2.00	3.50	1.96	2.10	3.50	5.00	2.10	1.39	5.00	4.45
13	.545	.585	.75	.75	.585	.765	.75	.95	.765	.58	.95	.70
20	.545	.585	.95	.95	.585	.765	.95	1.10	.765	.58	1.40	.80
23	.965	1.96	2.00	3.50	1.96	2.10	3.50	2.50	2.10	1.39	2.15	1.40
24	.965	1.96	2.25	3.75	1.96	2.10	3.75	4.00	2.10	1.39	4.00	2.65
29	.....	.....	.85	.85	.....	.....	.85	1.30	.....	.....	1.45	1.00
31	.545	.585	.75	.75	.585	.765	.75	.95	.765	.58	1.00	1.25
46	.....	.....	.....	.....	.....	.....	.....	1.10	.....	.58	1.15	.80

* The Non-Bell prices shown on this statement are the minimum prices charged to the general trade (Non-Bell Operating Companies) by the Supply Department of the Western Electric Company.

[fol. 14124]

EXHIBIT D-102—Continued

Transmitters:	1922 Bell 1/1 to 5/15	1922 Bell 5/16 to 12/31	1922 Non-Bell* 1/1 to 8/4	1922 Non-Bell* 8/5 to 12/31	1923 Bell 1/1 to 12/31	1923 Non-Bell* 1/1 to 1/11	1923 Non-Bell* 1/12 to 12/31	1924 Bell 1/1 to 12/31	1924 Non-Bell* 1/1 to 6/30	1924 Non-Bell* 7/1 to 12/31	1925 Bell 1/1 to 12/31	1925 Non-Bell* 1/1 to 3/31	1925 Non-Bell* 4/1 to 12/31
234	$2.25	$2.40	$3.25	$3.25	$2.30	$3.25	$3.10	$2.38	$3.30	$3.25	$2.53	$3.25	$3.45
244	1.69	1.74	2.25	2.25	1.77	2.25	2.35	1.81	2.50	2.45	1.81	2.45	2.45
266		1.40	1.60	2.00	1.43	2.00	2.00	1.48	2.20	2.15	1.61	2.15	2.25
311			1.85	1.85		1.85	1.85						
312			3.80	3.80		3.80	3.80		3.95	3.80	2.97	3.80	3.95
323	1.37	1.41	1.90	1.90	1.43	1.90	1.90	1.45	2.00	2.00	1.45	2.00	2.00
329			1.90	1.90		1.90	1.95						
337	1.47	1.54			1.52			1.56	2.25	2.15	1.57	2.15	2.15
360													
353 Pressed Arm	1.72	1.71	2.40(B)	2.40(B)	1.77	2.40(B)	2.35(B)	1.73	2.40(B)	2.30(B)	1.77	2.30(B)	2.35(B)

Receivers:	1922 Bell 1/1 to 5/15	1922 Bell 5/16 to 12/31	1922 Non-Bell* 1/1 to 12/31	1923 Bell 1/1 to 12/31	1923 Non-Bell* 1/1 to 12/31	1924 Bell 1/1 to 4/30	1924 Bell 5/1 to 12/31	1924 Non-Bell* 1/1 to 6/30	1924 Non-Bell* 7/1 to 12/31	1925 Bell 1/1 to 12/31	1925 Non-Bell* 1/1 to 3/31	1925 Non-Bell* 4/1 to 12/31
127	$2.47	$2.48	$3.40	$2.45	$3.35	$3.25	$3.25	$4.55	$4.50(C)	$3.60	$	$
128												
131	2.20	2.11	3.00	2.16	2.95	2.35	2.35	3.30	3.25	2.43	3.25	3.35
144	1.37	1.33	2.05	1.25	1.95	1.33	1.33	2.05	2.00	1.35	2.00	2.00
146	2.17	2.06	2.90		2.55			3.00	2.95		2.95	3.15
157	2.24	2.18		2.17		2.35	2.42					
528	2.21	2.17	2.95	2.13	2.90	2.10	2.17	3.05	2.90	2.27	2.90	3.05

Induction Coils:	Bell 1/1 to 5/15	Bell 5/16 to 12/31	Non-Bell* 1/1 to 2/28	Non-Bell* 3/1 to 12/31	Bell 1/1 to 12/31	Non-Bell* 1/1 to 12/31	Bell 1/1 to 12/31	Non-Bell* 1/1 to 6/30	Non-Bell* 7/1 to 12/31	Bell 1/1 to 12/31	Non-Bell* 1/1 to 3/31	Non-Bell* 4/1 to 12/31
5	.58	$	$2.50	$2.50(E)	$1.87	$2.55	$2.09	$2.90	$2.85	$2.05	$2.85	$2.80
10	1.39		4.45	3.45(E)	2.70	3.60	3.00	4.10	4.00	3.13	4.00	4.15
13	.58	.43	.70	.80(E)	.41	.75	.44	.80	.80	.45	.80	.80
20	.58		.80	.80(E)		.80						
23	1.39	1.01	1.40	1.85(EF)	.95	1.70		1.85	1.80	1.09	1.80	1.90
24	1.39	1.76	2.65	2.65(E)	1.84	2.75		2.90	2.85	1.98	2.85	2.95
29			1.00	1.00		.85		.95	.90	.69	.90	.95
31	.58		1.25	1.25(E)	.43	1.25	.38	1.20	1.20	.51	1.20	1.35
46	.58	.58	.80	.80(E)	.55	.80	.56	.85	.85	.57	.85	.85

(A) Published 4/12/19.
(B) Non-Bell price assumed to apply to pressed arm although no records are available to substantiate this.
(C) Withdrawn 12/10/24.
(D) Withdrawn 6/15/16.
(E) Withdrawn 7/1/22 to 8/4/22.
(F) Revised to $1.75 on 8/5/22.
(G) Published prices prior to 9/25/16 not available. Prices on the major items shown were taken from other records.
LFT-1/27/32.

* The Non-Bell prices shown on this statement are the minimum prices charged to the general trade (Non-Bell Operating Companies) by the Supply Department of the Western Electric Company.

[fol. 14125]

EXHIBIT D-103

Prices of Transmitters, Receivers and Induction Coils Sold to Both Bell and Non-Bell Customers from January 1, 1926 to December 31, 1930

Code Number	1926			1927		1928				1929				1930			
	Bell	Non-Bell		Bell	Non-Bell	Bell		Non-Bell		Bell		Non-Bell		Bell		Non-Bell	
	1/1 to 12/31	1/1 to 11/1	11/1 to 12/31	1/1 to 12/31	1/1 to 12/31	1/1 to 4/1	4/1 to 12/31	1/1 to 4/15	4/15 to 12/31	1/1 to 7/1	7/1 to 12/31	1/1 to 7/1	7/1 to 12/31	1/1 to 11/1	11/1 to 12/31	1/1 to 11/1	11/1 to 12/31
Transmitters:		(A)	(A)		(A)			(A)									
234	$2.44	$2.53	$2.44	$2.16	$2.44	$2.16	$2.10	$2.44	$2.20	$2.10	$2.00	$2.20	$2.20	$2.00	$2.35	$2.20	$2.55
244	1.79	1.81	1.79	1.67	1.79	1.67	1.67	1.79	1.75	1.67	1.50	1.75	1.60	1.50	1.50	1.60	1.60
266	1.50	1.61	1.50	1.28	1.50	1.28	1.28	1.50	1.35	1.28	1.20	1.35	1.25	1.20	1.20	1.25	1.25
312	2.79	2.97	2.79	2.64	2.79	2.64	2.64	2.79	2.75	2.64	2.40	2.75	2.50	2.40	2.40	2.50	2.50
323	1.43	1.45	1.43	1.36	1.43	1.36	1.20	1.43	1.25	1.20	1.10	1.25	1.15	1.10	1.10	1.15	1.15
337	1.53	1.57	1.53	1.39	1.53	1.39	1.20	1.53	1.25	1.20	1.10	1.25	1.15	1.10	1.10	1.15	1.15
Receivers:																	
127	3.62	....	....	2.85	....	2.85	2.85	....	....	2.85	2.85	....	....	2.85	2.85	....	....
131	2.22	2.43	2.22	2.10	2.22	2.10	2.10	2.22	2.20	2.10	1.90	2.20	2.00	1.90	1.90	2.00	2.00
144	1.32	1.35	1.32	1.20	1.32	1.20	1.15	1.32	1.20	1.15	1.05	1.20(B)	1.10	1.05	1.05	1.10	1.10
146-A	2.41	2.83	2.41	2.26	2.41	2.26	2.26	2.41	2.35	2.26	2.25	2.35	2.35	2.25	2.25	2.35	2.35
157	....	....	....	....	....	....	....	....	....	....	....	....	....	2.17	2.20	2.30	2.33
525 (3-A Headband)	2.03	....	....	1.89	....	1.89	1.89	....	....	1.89	1.85	....	....	1.85	....	....	....
525 11-A Headband as of 9/1/30	....	....	....	....	....	....	....	....	....	....	....	....	....	1.72	1.95	1.80	2.03
528 3-A Headband	1.94	2.22	1.94	1.79	1.94	1.79	1.70	1.94	1.71	1.70	1.55	1.71	1.65	1.55	....	1.65	....
528 11-A Headband as of 4/1/30	....	....	....	....	....	....	....	....	....	....	....	....	....	1.42	1.70	1.52	1.80
Induction Coils:																	
5	1.76	2.05	1.76	1.65	1.76	1.65	1.65	1.76	1.70	1.65	1.60	1.70	1.68	1.60	1.85	1.68	1.93
10	2.87	3.13	2.87	2.93	2.93(F)	2.93	2.93	2.93	3.05	2.93	2.90	3.05	3.05	2.90	3.35	3.05	3.55
13	.42	.45	.42	.37	.42	.37	.37	.42	.39	.37	.34	.39	.39	.34	.40	.39	.45
23	1.08	1.09	1.08	1.05	1.08	1.05	1.05	1.08	1.10	1.05	1.00	1.10	1.05	1.00	1.15	1.05	1.20
24	1.97	1.98	1.97	1.87	1.97	1.87	1.87	1.97	1.95	1.87	1.85	1.95	1.95	1.85	2.15	1.95	2.25
29	....	.69	.60	....	.60	.60	.60	.60	.65	.60	.50	.65	.53	.50	.60	.53	.63
31	.49	.51	.49	.41	.49	.41	.41	.49	.50	.41	.38	.50	.40	.38	.45	.40	.47
46	.51	.57	.51	.48	.51	.48	.48	.51	.50	.48	....	.50	....	....	....	....	....
46-B	....	....	....	....	....	....	....	....	....	....	.44	....	.46	.44	.50	.46	.52
58	....	1.10	1.10	....	1.10	1.10	1.10	1.10	1.15	1.10	1.10	1.15	1.16	1.10	1.10	1.16	1.15
59	....	.90	.90	....	.90	.90	.90	.90	.95	.90	.90	.95	.95	.90	1.10	.95	1.15
62	.90	.97	.90	.88	.90	.88	.88	.90	.90	.88	.80	.90	.84	.80	.90	.84	.94
63	.97	1.07	.97	.92	.97	.92	.92	.97	.95	.92	.85	.95	.89	.85	1.00	.89	1.05
65	.98	1.05	.98	.90	.98	.90	.90	.98	.95	.90	.80	.95	.84	.80	.90	.84	.94
Hand Telephone Sets	....	....	....	....	....	14.00	12.75(C)	....	13.08(C)	10.00	9.50	10.33	10.20(E)	9.50(D)	9.25	10.20(D)	9.81
Hand Telephone Sets Elliptical Mounting	....	....	....	....	....	....	....	....	....	....	....	....	....	....	9.05	....	9.61

(A) When sold for export 5% Royalty was added to these prices. After April 15, 1928 Non-Bell prices include the royalty factor.
(B) Price of #144 type Receiver to Non-Bell Customers was $1.15 from 5/1/29 to 6/30/29.
(C) Price of the Hand Telephone Set was changed during this period as follows: Bell 8/1/28 $11.00 Non-Bell 10/1/28 $11.33.
(D) Price of the Hand Telephone Set was changed during this period as follows: Bell 9/1/30 8.89 Non-Bell 9/1/30 9.47.
(E) Price of the Hand Telephone Set from 7/1/29 to 11/1/29 to Non-Bell Customers was $10.14.
(F) Price of #10 type Induction Coil changed to $2.93 on 3/1/27.

[fol. 14126] EXHIBIT D-104

Sales of Telephone Receivers, Transmitters, and Induction Coils, 1916 to 1930, Inclusive

Year	Bell	Non-Bell
1916	$2,200,641	
1917	2,420,569	
1918	2,230,155	
1919	2,530,083	
1920	3,852,712	Information not available
1921	4,597,725	
1922	4,342,821	
1923	4,496,482	
1924	4,900,159	
1925	5,017,587	
1926	5,262,559	$439,464
1927	4,836,000	439,000
1928	8,561,199(8)	431,872(8)
1929	8,729,980(8)	538,971(8)
1930	10,015,999(8)	528,445(8)

(8) Includes Hand Sets.

[fol. 14127]

EXHIBIT D-111

American Telephone and Telegraph Company

Royalties Received from Western Electric Company, Incorporated, Electrical Research Products, Incorporated, and Others

Years 1923–1931

	1923	1924	1925	1926	1927	1928	1929	1930	1931	Total
Royalties Received by E. R. P. I. (assignee of W. E. Co.) and Portion thereof paid to A. T. and T. Co	$.....	$.....	$42,923	$93,645	$198,087	$206,970	$304,861	$592,270	$959,450	$2,398,206
Sales by Graybar Electric Company of close talking microphones	.....	.....	.....	.....	.....	.....	.....	.....	240	240
Sales by Western Electric Company of Restricted Apparatus	94,977	67,677	82,797	77,417	203,223	218,298	899,934	514,653	161,808	2,320,784
Miscellaneous Royalties	.....	.....	.....	.....	1,167	579	2,080	3,232	14,057	21,115
Total	94,977	67,677	125,720	171,062	402,477	425,847	1,206,875	1,110,155	1,135,555	4,740,345
Patent Receipts	.....	.....	5,239	.....	33,489	16,250	11,775	20,000	.....	86,753
License Fees for Radio Broadcasting	2,500	45,859	81,557	89,919	104,461	63,796	14,451	500	.....	402,043
Total	$97,477	$113,536	$212,516	$260,981	$540,427	$505,893	$1,233,101	$1,129,655	$1,135,555	$5,229,141

[fol. 14128] EXHIBIT D-112

This agreement, made and entered into on this 8th day of July, 1919, by and between the International Telephone Sales and Engineering Corporation, a corporation created under the laws of the state of Delaware (hereinafter for convenience called the Sales Corporation), and the American Telephone and Telegraph Company, a corporation created under the laws of the state of New York (hereinafter for convenience called the American Company), will witness:

Section 1. The Sales Corporation is now the owner of twenty-six thousand (26,000) shares, constituting approximately fifty-one per cent (51%) of the capital stock of the Automatic Electric Company (hereinafter for convenience called the Automatic Company). The Sales Corporation will endeavor to acquire all of the outstanding capital stock of the Automatic Company, and will acquire not less than 90% of said stock, including said stock now held by it, prior to the date for the exercise of the option hereinafter granted.

Section 2. Upon the terms and conditions hereinafter set out, and in consideration of One Dollar ($1.00) and other valuable considerations, the receipt whereof is hereby acknowledged, the Sales Corporation hereby grants to the American Company an option to acquire all of the capital stock of the Automatic Company, now or hereafter owned by the Sales Corporation, which shall be not less than 90% of said stock, which terms and conditions are:

(a) The American Company shall, on or before July 1, 1924, notify the Sales Corporation in writing of its election to exercise said option, which notice may be given by letter, deposited in the mail, postage prepaid, on or before July 1, 1924, and addressed to the Sales Corporation at Chicago, Illinois, or at such other address as it may hereafter designate in writing for that purpose.

(b) Upon the election to exercise the option, the transaction shall be closed by a transfer of the stock and payment therefor on January 1, 1925, at the office of the American Company in New York. Not less than ten days prior to said date, the Sales Corporation shall, in writing, notify [fol. 14129] the American Company of the number of shares which it will assign and deliver.

(c) The Sales Corporation shall furnish to the American Company at its office in the city of New York, balance sheets showing the assets and liabilities of the Automatic Company, in such detail as the American Company may require, as follows:

One as of June 1st, 1919, to be furnished on or before July 1st, 1919.

One as of December 1st, 1923, to be furnished on or before December 20th, 1923.

One as of December 1st, 1924, to be furnished on or before December 20th, 1924.

The American Company shall be afforded reasonable opportunities to make such verifications of said balance sheets and such other investigations of the records and accounts of the Sales Corporation and Automatic Company as it may deem desirable.

(d) The Sales Corporation agrees that the Automatic Company will not, after July 1st, 1919, without the consent of the American Company, incur any indebtedness or other obligations, other than the ordinary current obligations incident to its manufacturing business, and those incident to the increase of its capacity to 100,000 lines per annum.

(e) The Sales Corporation agrees that the Automatic Company will not, without the consent of the American Company, increase the amount of its outstanding capital stock during the term of this agreement.

(f) The definitive price to be paid by the American Company for the said stock of the Automatic Company, in the event that it acquires the same under this option, shall be determined as follows:

(1) All of the profits of the Sales Corporation and the Automatic Company arising out of the manufacture and sale of the apparatus covered by a contract between the Sales Corporation and the Western Electric Company, Incorporated, of even date herewith, for 250,000 lines, shall be ascertained, and to this amount there shall be added an amount equal to one-half of the profits (other than those above described) of the Sales Corporation and the Automatic Company arising out of all of their business between [fol. 14130] June 16, 1919 and December 31, 1924, and the

tal so found shall be divided by the number of shares quired by the American Company hereunder.

Said profits shall be ascertained by deducting from gross come, all operating expenses prudently incurred, together th uncollectible items, taxes and interest on the neces- ry obligations of the Sales and Automatic Companies.

If there has not been acquired by it on or before July 15, 19, all of the outstanding stock of the Automatic Com- ny, the Sales Corporation shall be entitled to have treated interest expense, in computing profits as aforesaid, such amount in each year on account of the stock of the Auto- tic Company at the time outstanding as would have been id in interest in the year in question by the Sales Corpora- n, if such outstanding stock of the Automatic Company d been purchased by the Sales Corporation on or before ly 15th, 1919, upon the same terms upon which the stock quired by the Sales Corporation prior to that time was rchased.

(2) The amount to be ascertained as provided in the ceding paragraph (1) shall be credited upon $137.50, d the balance remaining shall be the definitive price per re to be paid for said stock.

If the credit so to be made on account of profits shall al or exceed $137.50, then the stock shall be delivered the American Company without payment by it, and the erican Company shall be entitled to the excess, if any.

(3) In order to provide for the accurate determination said definitive price, on or before the date for closing purchase of the stock, January 1, 1925, the American mpany shall, at such time as it elects after July 1, 1924, ke an audit of the books of the Sales Corporation and Automatic Company, and shall determine the factors ich fix such definitive price. The Automatic Company l the Sales Corporation shall afford to the American mpany all reasonable facilities for and assistance in king such audit.

The transaction shall be closed on January 1, 1925, upon basis determined by such audit, but this shall be sub- t, however, to readjustment as hereinafter provided.

(g) If the parties are on January 1, 1925, or thereafter, disagreement as to the amount of such profits, the stock [14131] in question shall then be deposited, endorsed in

blank, with the Bankers Trust Company of New York, in escrow, to be held by it until there is certified to it by the Audit Company of New York, (or some other chartered accountant to be selected by the parties, or if they cannot agree by said trust company) the amount, if any, due the Sales Corporation or the American Company on account of such purchase price or such excess credit, and upon such certification, and upon the payment by the American Company to said Trust Company of the amount, if any, so certified to be due from the American Company, said stock shall be delivered to the last named company. If said Audit Company shall so certify that on account of excess profits there is a balance due to the American Company, the amount of such balance shall be forthwith paid to the American Company by the Sales Corporation.

All differences as to the amount of such profits shall be submitted by the parties to the said Audit Company of New York, or to the other chartered accountant to be selected as aforesaid, which shall investigate and determine the same, and this determination shall, as to all matters of fact, be final and binding upon both parties. The expense of such determination shall be equally divided between the Sales Corporation and the American Company.

(h) The Sales Corporation agrees that it will not distribute any of its surplus profits as dividends until it has acquired not less than 90% of the outstanding capital stock of the Automatic Company and has paid all obligations given by it in connection with the acquisition of Automatic Company stock.

(i) The Sales Corporation further agrees that if the American Company shall acquire the said stock of the Automatic Company under this option, it will, if and when requested so to do by the Automatic Company, cancel any contracts then existing between the Sales Corporation and the Automatic Company, provided, however, that any contracts then existing between the Sales Corporation and the Automatic Company under which the Automatic Company is to manufacture apparatus for the Sales Corporation shall be performed by the Automatic Company, upon the condition that the Sales Corporation shall account to the Automatic Company for a proportion of the Sales Corporation's profits under such contracts, equal to

[fol. 14132]

the proportion of the work of manufacturing done after the said option is exercised.

Section 3. If, because of doubt as to the legal right of the Sales Corporation to sell said stock to the American Company, or as to the legal right of the latter to acquire such stock, or for any other reason, the American Company shall not desire to avail itself of the option hereby granted, it may assign this option to any person to whom a sale of said stock at that time would be free from legal objections, and its assignee under such an assignment shall succeed to all of its rights under this agreement.

In witness whereof the parties hereto have caused this instrument to be executed in their behalf in duplicate by their respective presidents or vice presidents, and attested with their corporate seals by their respective secretaries on the date first above written.

American Telephone and Telegraph Company, by (Sd.) H. B. Thayer, President. O. K. N. T. G. Attest: (Sd.) A. A. Marsters, Secretary. (Seal.) International Telephone Sales and Engineering Corporation, by (Sd.) A. F. Adams, President. Attest: (Sd.) Charles A. Bennett, Asst. Secretary. (Seal.)

(Here follows 2 pasters, folios 14133 and 14134.)

[fol. 14133]

Ex. D-116 Heiss Exhibit No. 10

American Telephone and Telegraph Company

A.—Estimate of Costs Incurred in Rendering License Contract Services*

B.—Amounts Received for License Contract Services

	1923			1924								
	Direct Costs	Indirect Costs	Total	Direct Costs	Indirect Costs	Total	Direct Costs	Indirect Costs	Total	Direct Costs	Indirect Costs	Total
A. Costs of Rendering License Contract Services:												
Departmental:												
Development and Research	$2,841,988	.....	$2,841,988	$3,078,422	.....	$3,078,422	$3,624,850	.....	$3,624,850	$4,295,693	.....	$4,295,693
Operation and Engineering	2,550,709	.....	2,550,709	2,688,340	.....	2,688,340	2,963,159	.....	2,963,159	3,301,306	.....	3,301,306
Operation—General	213,551	.....	213,551	209,788	.....	209,788	211,565	.....	211,565	240,549	.....	240,549
Personnel	518,882	$83,860	602,742	436,646	$78,819	515,465	514,980	$88,543	603,523	601,787	$106,173	707,960
Information	598,011	36,327	634,338	660,432	33,995	694,427	705,947	34,517	740,464	833,282	24,038	857,320
Public Relations	.....	.....	.....	21,878	.....	21,878	27,751	.....	27,751	27,365	.....	27,365
Legal	664,112	95,079	759,191	662,100	84,567	746,667	668,165	112,100	780,265	659,735	90,865	750,600
Comptroller	890,194	82,379	972,573	979,922	90,815	1,070,737	1,080,077	96,643	1,176,720	1,199,257	107,357	1,306,614
Treasurer	85,363	869,498	954,861	123,205	1,134,892	1,258,097	116,199	828,715	944,914	127,102	1,254,650	1,381,752
Secretary	4,272	54,183	58,555	4,945	58,775	63,720	4,776	58,092	62,868	4,973	61,150	66,123
General Service Bureau	232,149	50,959	283,108	268,325	62,940	331,265	305,326	58,157	363,483	354,984	72,708	427,692
Sundry Items	129,861	611,555	741,416	91,149	584,935	676,084	81,301	665,056	746,357	41,374	713,361	754,735
Total Departmental Costs	$8,729,192	$1,883,840	$10,613,032	$9,225,152	$2,129,738	$11,354,890	$10,304,096	$1,941,823	$12,245,919	$11,687,407	$2,430,302	$14,117,709
Instrument Maintenance	3,219,594	.....	3,219,594	3,719,626	.....	3,719,626	4,261,771	.....	4,261,771	4,953,961	.....	4,953,961
Taxes	1,824,297	1,158,360	2,982,657	1,837,220	1,700,481	3,537,701	1,123,688	1,831,971	3,955,659	1,525,910	1,882,885	3,408,795
Cost (net) of carrying investment in physical property used in rendering License Contract Services†	1,293,984	33,734	1,327,718	1,375,142	16,600	1,391,742	1,595,791	21,893	1,617,684	1,610,280	6,100	1,616,380
Cost (net) incurred in holding funds available during year to meet cash requirements of Licensee Companies†	2,368,129	222,647	2,590,776	2,617,596	257,517	2,875,113	3,430,048	286,145	3,716,193	3,053,074	325,719	3,378,793
Cost (net) of Temporary Financing†	1,535,913	.....	1,535,913	2,259,798	805	2,260,603	2,596,087	10,192	2,606,279	2,074,265	21,100	2,095,365
Total	$18,971,109	$3,298,581	$22,269,690	$21,034,534	$4,105,141	$25,139,675	$24,311,481	$4,092,024	$28,403,505	$24,904,897	$4,666,106	$29,571,003
Deduct from "Indirect Costs" estimated amount of corporate expenses attributable to ownership of System Securities and related expenses	.....	1,000,000	1,000,000	.....	1,200,000	1,200,000	.....	1,400,000	1,400,000	.....	1,600,000	1,600,000
Total Costs incurred in rendering License Contract Services	$18,971,109	$2,298,581	$21,269,690	$21,034,534	$2,905,141	$23,939,675	$24,311,481	$2,692,024	$27,003,505	$24,904,897	$3,066,106	$27,971,003
B. Amounts Received for License Contract Services	.....	.....	$ (4-1/2%)	.....	.....	$ (4-1/4%)	.....	.....	$ (4-1/2%)	.....	.....	$ (4%)
From Licensee Companies	.....	.....	$24,309,368	.....	.....	$26,784,492	.....	.....	$30,197,214	.....	.....	$29,850,303
From Long Lines Department	.....	.....	1,592,181	.....	.....	1,593,209	.....	.....	1,768,414	.....	.....	1,696,400
Total Receipts for License Contract Services	.....	.....	$25,901,549	.....	.....	$28,377,701	.....	.....	$31,965,628	.....	.....	$31,546,703
Balance	.....	.....	$4,631,859	.....	.....	$4,438,026	.....	.....	$4,962,123	.....	.....	$3,575,700
†Average Cost of Funds during year	.....	.....	6.87%	.....	.....	6.85%	.....	.....	6.93%	.....	.....	6.83%

*These costs do not include any amounts for Contingencies.

$ Represents per cent of certain gross revenues, received as per License Contract.

Apr. 17, 1931.

Exhibit D-116—Continued

American Telephone and Telegraph Company

A.—Estimate of Costs Incurred in Rendering License Contract Services*

B.—Amounts Received for License Contract Services

	1927			1928			1929			1930		
	Direct Costs	Indirect Costs	Total	Direct Costs	Indirect Costs	Total	Direct Costs	Indirect Costs	Total	Direct Costs	Indirect Costs	Total
A. Costs of Rendering License Contract Services:												
Departmental:												
Development and Research	$5,386,349	.....	$5,386,349	$5,526,817	.....	$5,526,817	$7,090,199	.....	$7,090,199	$9,556,804	.....	$9,556,804
Operation and Engineering	3,562,940	.....	3,562,940	3,813,983	.....	3,813,983	4,102,105	.....	4,102,105	4,340,568	.....	4,340,568
Operation—General	233,029	.....	233,029	254,250	.....	254,250	268,793	.....	268,793	277,792	.....	277,792
Personnel	805,419	$132,996	938,415	784,693	$139,725	924,418	896,496	$159,810	1,056,306	926,338	$173,935	1,100,273
Information	759,142	30,555	789,697	996,146	37,852	1,033,998	1,314,266	32,904	1,347,170	1,318,276	33,335	1,351,611
Public Relations	27,471	.....	27,471	27,878	.....	27,878	35,741	.....	35,741	49,467	.....	49,467
Legal	720,319	76,415	796,734	936,315	93,015	1,029,330	591,505	101,222	692,727	861,264	105,767	967,031
Comptroller	1,295,176	117,055	1,412,231	1,359,470	125,001	1,484,471	1,435,557	131,265	1,566,822	1,561,324	143,338	1,704,662
Treasurer	194,147	908,983	1,103,130	193,483	1,454,743	1,648,226	191,899	1,399,164	1,591,063	337,044	2,162,630	2,499,674
Secretary	5,076	58,558	63,634	5,397	63,066	68,463	5,847	63,501	69,348	6,178	62,206	68,384
General Service Bureau	379,196	61,729	440,925	391,442	74,560	466,002	426,758	81,287	508,045	460,776	94,376	555,152
Sundry Items	57,148	819,776	876,924	25,783	751,299	777,082	25,811	778,116	803,927	249,099	766,467	1,015,566
Total Departmental Costs	$13,425,412	$2,206,067	$15,631,479	$14,315,657	$2,739,261	$17,054,918	$16,384,977	$2,747,269	$19,132,246	$19,944,930	$3,542,054	$23,486,984
Instrument Maintenance	5,217,807	.....	5,217,807	.....	.....	.....	.....	.....	.....	.....	.....	.....
Taxes	2,196,068	1,144,002	3,340,070	285,189	1,386,683	1,671,872	94,405	923,697	1,018,102	26,611	962,287	988,898
Cost (net) of carrying investment in physical property used in rendering License Contract Services†	1,575,642	6,047	1,581,689	40,331	7,442	47,773	42,924	7,409	50,333	45,920	8,022	53,942
Cost (net) incurred in holding funds available during year to meet cash requirements of Licensee Companies†	2,464,839	330,243	2,795,082	2,519,440	325,934	2,845,374	980,607	357,018	1,337,625	4,188,557	390,432	4,578,989
Cost (net) of Temporary Financing†	1,827,556	12,053	1,839,609	1,039,700	11,730	1,051,430	2,444,214	8,322	2,452,536	1,134,848	2,602	1,137,450
Total	$26,707,324	$3,698,412	$30,405,736	$18,200,317	$4,471,050	$22,671,367	$19,947,127	$4,043,715	$23,990,842	$25,340,866	$4,905,397	$30,246,263
Deduct from "Indirect Costs" estimated amount of corporate expenses attributable to ownership of System Securities and related expenses	.....	1,800,000	1,800,000	.....	2,000,000	2,000,000	.....	2,250,000	2,250,000	.....	2,500,000	2,500,000
Total Costs incurred in rendering License Contract Services	$26,707,324	$1,898,412	$28,605,736	$18,200,317	$2,471,050	$20,671,367	$19,947,127	$1,793,715	$21,740,842	$25,340,866	$2,405,397	$27,746,263
B. Amounts Received for License Contract Services	.....	.....	$(4%)	.....	.....	$(2%)	.....	.....	$(1½%)	.....	.....	$(1½%)
From Licensee Companies	.....	.....	$32,454,652	.....	.....	$17,622,365	.....	.....	$14,455,588	.....	.....	$15,025,890
From Long Lines Department	.....	.....	1,788,032	.....	.....	1,581,797	.....	.....	1,422,935	.....	.....	1,485,249
Total Receipts for License Contract Services	.....	.....	$34,242,684	.....	.....	$19,204,162	.....	.....	$15,878,523	.....	.....	$16,511,139
Balance	.....	.....	$5,636,948	.....	.....	‡$1,467,205	.....	.....	‡$5,862,319	.....	.....	‡$11,235,124
†Average Cost of Funds during year	.....	.....	6.86%	.....	.....	6.55%	.....	.....	6.53%	.....	.....	6.25%

* These costs do not include any amounts for Contingencies.

$ Represents per cent of certain gross revenues, received as per License Contract.

‡ Red figures.

April 17, 1931.

Exhibit D–116—Continued

American Telephone and Telegraph Company

1.—Estimate of Costs Incurred in Rendering License Contract Services:

2.—Amounts Received for License Contract Services

	1931		
	Direct Costs (i. e. Costs Definitely Allocable to License Contract Services)	Indirect Costs (i. e. Costs Incurred Jointly for (a) License Contract Services and (b) Other Activities)	Total
1. Costs of Rendering License Contract Services:			
Departmental:			
Development and Research	$8,882,166	$.....0	$8,882,166
Operation and Engineering	4,234,967	0	4,234,967
Operation—General	273,631	0	273,631
Personnel	927,187	153,508	1,080,695
Information	1,268,162	39,318	1,307,480
Public Relations	38,439	0	38,439
Legal	817,142	98,483	915,625
Comptroller	1,567,221	124,854	1,692,075
Treasurer	351,456	1,300,826	1,652,282
Secretary	5,128	51,215	56,343
General Service Bureau	450,493	67,315	517,808
Sundry Items (Including Administration)	25,559	726,212	751,771
a) Total Departmental Costs	$18,841,551	$2,561,731	$21,403,282
b) Instrument Maintenance	0	0	0
c) Taxes	42,352	1,495,008	1,537,360
d) Cost (net) of carrying investment in physical property used in rendering license Contract Services‡	51,703	6,834	58,537
e) Cost (net) incurred in holding funds available during year to meet cash requirements of Licensee Companies‡	3,820,591	561,866	4,382,457

[fol. 14136]

Exhibit D-116—Continued

American Telephone and Telegraph Company

1.—Estimate of Costs Incurred in Rendering License Contract Services:

2.—Amounts Received for License Contract Services

	1931		
	Direct Costs (i. e. Costs Definitely Allocable to License Contract Services)	Indirect Costs (i. e. Costs Incurred Jointly for (a) License Contract Services and (b) Other Activities)	Total
f) Cost (net) of Temporary Financing‡	$1,706,913	$ 2,615	$ 1,709,528
g) Total	$24,463,110	$4,628,054	$29,091,164
h) Deduct from "Indirect Costs" estimated amount of corporate expenses attributable to ownership of System Securities and related expenses ("Other Activities")	.....	2,500,000	2,500,000
i) Total Costs incurred in rendering License Contract Services	$24,463,110	$2,128,054	$26,591,164
2. Amounts Received for License Contract Services:			$ (1½%)
From Licensee Companies	.....	.....	$14,718,361
From Long Lines Department	.....	.....	1,417,094
Total Receipts for License Contract Services	.....	.....	$16,135,455
Balance	.....	.....	$10,455,709*
‡Average Cost of Funds during year	.....	.....	6.42%

‡ These costs do not include any amounts for contingencies.

* Red figure.

a Represents net cost of certain gross revenues, received on any License Contracts

[fol. 14137]

EXHIBIT D-122

American Telephone and Telegraph Company

Instrument Credit, Bell System

	1923	1924	1925	1926	1927
1. Average Current Cost	$36,712,948	$42,095,239	$46,392,461	$48,421,792	$46,937,162
2. Actual Depreciation (8% of Item 1)	2,937,036	3,367,619	3,711,397	3,873,743	3,754,973
3. Current Cost less 8% Depreciation (Item 1 less Item 2)	33,775,912	38,727,620	42,681,064	44,548,049	43,182,189
4. Depreciation Expense—7% of Current Cost (Item 1)	2,569,906	2,946,667	3,247,472	3,389,525	3,285,601
5. Return on Current Cost less 8% Depreciation (8% of Item 3)	2,702,073	3,098,210	3,414,485	3,563,844	3,454,575
6. Total, Items 4 and 5	5,271,979	6,044,877	6,661,957	6,953,369	6,740,176
7. Margin for Additional Instruments (6% of Item 6)	316,319	362,693	399,717	417,202	404,411
8. Instrument Repairs	1,086,422	1,328,873	1,613,737	2,033,810	2,066,815
9. Total, Items 6, 7 and 8	6,674,720	7,736,443	8,675,411	9,404,381	9,211,402

[fol. 14138] EXHIBIT D-135

Know all men by these presents, that Western Electric Company, Incorporated, a New York corporation (hereinafter called the Western Company) Party of the first part, for and in consideration of the sum of One dollar and other good and valuable considerations to it in hand paid at or before the ensealing and delivery of these presents by Electrical Research Products Inc., a Delaware corporation (hereinafter called the Products Company), party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, assigned and delivered and by these presents does grant, bargain, sell, assign and deliver unto the Products Company, its successors and assigns, all right, title and interest of the Western Company in and to the following property:

1. One hundred fifty thousand (150,000) shares of the capital stock of Graybar Electric Company, Inc.

2. Twenty-six thousand one hundred sixty (26,160) shares of the capital stock of Northern Electric Company, Limited.

3. One hundred (100) shares of the capital stock of Western Electric Company, Limited of Canada.

4. One hundred (100) shares of Western Electric Company, Limited of London.

5. All accounts receivable owing on January 1, 1927, by Western Electric Company, Limited of Canada to the Western Company.

6. All accounts receivable owing on January 1, 1927, by Western Electric Company, Limited of London to the Western Company.

[fol. 14139] 7. Bonds and certificates of indebtedness of the United States of the aggregate face value of $30,000,000 which are listed in Exhibit A attached hereto, subject, however, to outstanding agreements by the Western Company to re-sell said securities or any part thereof at rates or on bases fixed at the time the same were purchased by the Western Company, which re-sale agreements are hereby assumed by the Products Company.

8. All accounts receivable outstanding on January 1, 1927, which relate solely to the business agreed to be trans-

ferred by the Western Company to the Products Company pursuant to the provisions of an agreement between said companies dated December 30, 1926.

9. All interest accrued and unpaid to January 1, 1927, on items 5, 6, 7 and 8 above listed.

10. All royalties accrued and unpaid to January 1, 1927, under contracts to be assigned by the Western Company to the Products Company, pursuant to the provisions of an agreement between said companies dated December 30, 1926, less such part of said royalties as the Western Company is obligated to pay to others.

11. Apparatus, material and equipment which on January 1, 1927, was under lease or loan by the Western Company in the course of that part of its business to be transferred to the Products Company, pursuant to the provisions of an agreement between said companies dated December 30, 1926.

12. All right, title and interest of the Western Company or of others acting for it in and to the following claims:

(a) Claim against Russia on account of deposits in banks, stock interest in, and receivables from, N. C. Heisler and Company, and accounts receivable owing to the Western Company (as assignee of International Western Electric Company, Incorporated and its subsidiaries) from Russian customers.

(b) Claim against Germany for losses and damages in Belgium growing out of the World War.

13. The Western Company's business (as distinguished from its property) existing on January 1, 1927 which is [fol. 14140] separate and distinct from the business reserved to the Western Company pursuant to the provisions of an agreement between it and the Products Company dated December 30, 1926.

14. All right, title and interest which the Western Company has the right so to transfer in and to all contracts, good-will, patents, trade-marks and trade-names of the Western Company (except the trade-mark or trade-name "Western Electric") in so far as but only to the extent that the same respectively pertain to the business and prop-

erty agreed to be transferred pursuant to the provisions of an agreement between the Western Company and the Products Company dated December 30, 1926, and subject to all the reservations, terms, conditions and limitations in said agreement contained.

The Western Company agrees to execute, acknowledge and deliver such further instruments in writing as may be necessary to carry into effect the transfer and assignment of the business, property, effects, assets, rights, licenses and good-will covered hereby to the Products Company.

To have and to hold the said business, property, effects, assets, rights, licenses and good-will unto the Products Company, its successors and assigns to and for it and their own proper use and behoof forever.

In witness whereof the said party of the first part has caused these presents to be executed on its behalf by its officers thereunto duly authorized, and its corporate seal to be hereunto affixed the third day of January, 1927.

Western Electric Company, Incorporated, by (Sgd.)
H. A. Halligan, Vice-President. Attest: (Sgd.)
H. B. Gilmore, Secretary.

EXHIBIT "A"

United States Government Securities

Issue	Rate	Face Value
1st Liberty Loan 1932–47	3½%	$500,000
1st Liberty Loan 1932–47	4¼%	500,000
2nd Liberty Loan 1927–42	4¼%	5,500,000
3rd Liberty Loan 1928	4¼%	4,000,000
4th Liberty Loan 1933–38	4¼%	10,600,000
U. S. Treasury Refunding Bonds 1944–54	4%	3,500,000
U. S. Treasury Refunding Bonds 1947–52	4¼%	960,000
U. S. Treasury Notes due 3/15/27	4¾%	4,440,000
		$30,000,000

[fol. 14141] EXHIBIT D-136

Net Profits on Sales of New A. T. & T. Instruments, 1916 to 1927, Inclusive

(Dollars in Thousands)

	Sales	Net Profits on Sales Before Deducting Federal Taxes	Per Cent Net Profits To Sales Before Federal Taxes	Federal Taxes	Net Profits After Deducting Federal Taxes	Per Cent Net Profits to Sales
1927	$4,836	$743	15.4	$97	$646	13.4
1926	5,262	1,043	19.8	141	902	17.2
1925	5,017	624	12.4	85	539	10.8
1924	4,900	975	19.9	117	858	17.5
1923	4,496	698	15.5	79	619	13.8
1922	4,343	894	20.6	112	782	18.0
1921	4,598	1,064	23.1	106	958	20.8
1920	3,853	606	15.7	61	545	14.1
1919	2,530	(187)	(7.4)	0	(187)	(7.4)
1918	2,230	124	5.6	15	109	4.9
1917	2,421	423	17.5	31	392	16.2
1916	2,201	180	8.2	4	176	8.0
	$46,687	$7,187	15.4	$848	$6,339	13.9

(Here follows 1 photo, side folio 14142.)

Western Electric Company,
Incorporated
General Accounting Department.

EXHIBIT D-137

Date Issued

D-137

NET PROFITS ~~ON INVESTMENT~~ on Sales of NEW A. T. & T. INSTRUMENTS.
1916 TO 1926
~~(Expressed in Thousands of Dollars)~~

	a	b	c	d	e	f	g	
	Sales	Net Profits on Sales ~~of A.T.&T. Instruments~~ Before Deducting Taxes	Per Cent of Sales	Federal Taxes	Net Profits After Deducting Taxes	Per Cent	Average Investment (S)	Return on Investment (e÷f)	
1926	$ 5,262	$1,043 (W)	19.8	$141	$ 903	17.2	$6,626	13.6%	1
1925	5,017	624	12.4	85	571	11.4	6,707	8.5	2
1924	4,900	975	19.9	117	858	17.5	6,052	14.2	3
1923	4,496	698	15.5	79	619	13.8	5,482	11.3	4
1922	4,343	894	20.6	112	782	18.0	5,045	15.5	5
1921	4,598	1,064	23.1	106	958	20.8	6,054	15.8	6
1920	3,853	606	15.7	61	545	14.1	5,262	10.4	7
1919	2,530	(187)	(7.4)	0	(187)	(7.4)	3,196	(5.9)	8
1918	2,230	124	5.6	15	109	4.9	2,601	4.2	9
1917	2,421	423	17.5	31	392	16.2	2,813	13.9	10
1916	2,201	180	8.2	4	176	8.0	2,936	6.0	11
	41,851	6,444	15.4	751	5,726	13.7	4,798	10.9	12

( ) Indicates negative figures.

S Average investment represents the book cost of plant and working assets less current accounts payable.

W Reconciled with CA-4.13 report as follows:

Column b, line 5, CA-4.13		
Profit W. E. Company should earn (20% over completed cost before adding Federal Income Tax)	$ 844,000	13
Column a, line 8, CA-4.13		
Profits more than 20% by	199,000	14
Total net profit before deducting Federal Income Tax (13 + 14)	1,043,000	15

14142

89644A

[fol. 14143]

Ex. D-137—Continued

Date Issued :—— —, ——

Western Electric Company, Incorporated

General Accounting Department

CA-4.14

Net Profits on Investment in New A. T. & T. Instruments, 1916 to 1926

(Expressed in Thousands of Dollars)

	a	b	c	d	e	f	g	
	Sales	Net Profits on Sales of A. T. & T. Instruments Before Deducting Taxes	Per Cent of Sales (b-a)	Federal Taxes	Net Profits after Deducting Taxes (b-d)	Average Investment (8)	Return on Investment (e-f)	
1926	$5,262	$1,043(U)	19.6	$141	$903	$6,626	13.6	1
1925	5,017	624	12.4	85	571	6,707	8.5	2
1924	4,900	975	19.9	117	858	6,052	14.2	3
1923	4,496	698	15.5	79	619	5,482	11.3	4
1922	4,343	894	20.6	112	782	5,045	15.5	5
1921	4,598	1,064	23.1	106	958	6,054	15.8	6
1920	3,833	606.	15.7	61	545	5,262	10.4	7
1919	2,530	(187)	(7.4)	0	(187)	3,196	(5.9)	8
1918	2,230	124	5.6	15	109	2,601	4.2	9
1917	2,421	423	17.5	31	392	2,813	13.9	10
1916	2,201	180	8.2	4	176	2,936	6.0	11
	41,851	6,444	15.4	751	5,726	4,798	10.9	12

( ) Indicates negative figures.

8. Average investment represents the book cost of plant and working assets less current accounts payable.

U. Reconciled with CA-4.13 report as follows:

	1926	
Column b, line 5, CA-4.13: Profit W. E. Company should earn (20% over completed cost before adding Federal Income Tax)	$844,000	13
Column a, line 8, CA-4.13: Profits more than 20% by	199,000	14
Total net profit before deducting Federal Income Tax (13 plus 14)	1,043,000	15

[fol. 14944] EXHIBIT X-13A

Statement B

Estimated Effect of Price Changes on Apparatus and Equipment Sold to Bell Company, 1921-1930

	Tel. Apparatus Sales at Preceding Year's Dec. 31st Prices	Effect of Price Change Made Each Year (Annual Basis)	% Price Change (Annual Basis)	Price Level as at End of Year
12/31/20	.....	.....	.....	100.0
1921	$70,015,000	(−$1,200,000)	(− 1.7)	98.3
1922	82,010,000	(− 8,800,000)	(−10.7)	87.6
1923	86,450,000	+ 200,000	+ 0.2	88.8
1924	109,670,000	(− 6,100,000)	(− 5.6)	83.0
1925	97,690,000	(− 1,100,000)	(− 1.1)	82.1
1926	107,870,000	(− 9,400,000)	(− 8.7)	75.0
1927	101,740,000	(− 5,000,000)	(− 4.9)	71.3
1928	112,240,000	(−11,500,000)	(−10.3)	64.0
1929	145,980,000	(−12,500,000)	(− 8.6)	58.5
1930	140,690,000	+14,400,000	+10.2	64.4

		Effect in 1930 of 1930 Changes	Average Increase Actually Effective in 1930	Average 1930 Price Level
1930 Sales at Average 1930 Prices	$143,040,000	+$2,350,000	+1.7	59.5
1930 Sales at Average 1930 Prices	.....	.....	.....	$143,040,0
1930 Sales at 12/31/30 Prices	.....	143,040,000	.....	240,605,0
		595		

Cumulative effect of Price Changes since 12/31/20 in 1930 Volume.. 97,565,0

RAL:ID, 1/14/32.

NOTE.—The above is a complete copy of a table (Statement B) included in t supporting data and working papers made available on January 15th in respo to my letter of January 11th to Mr. Gregory in reference to Statement A bear the same title but on a non-cumulative basis.

EER.

COGGS BOOK CO. INC., NEW YORK

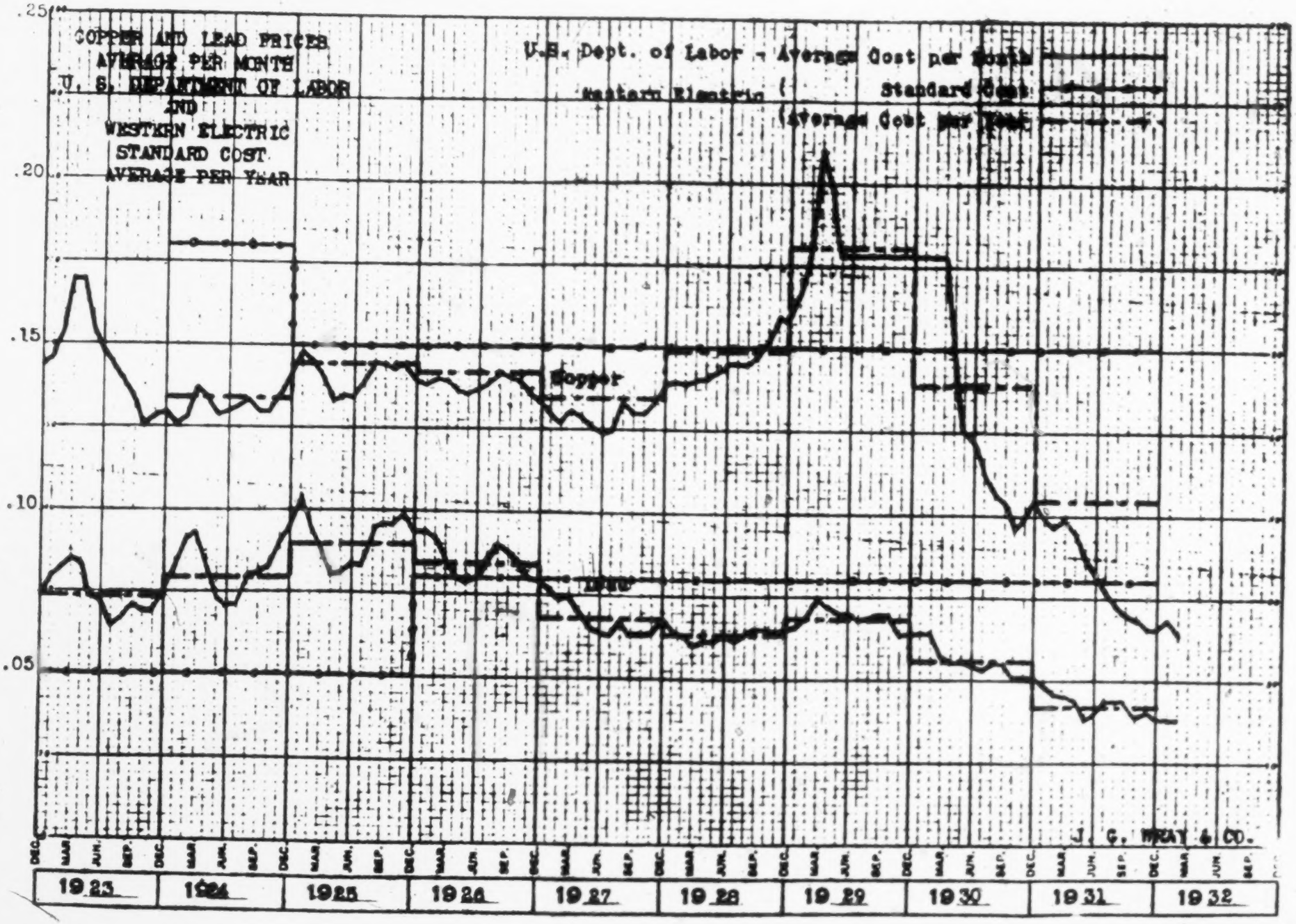
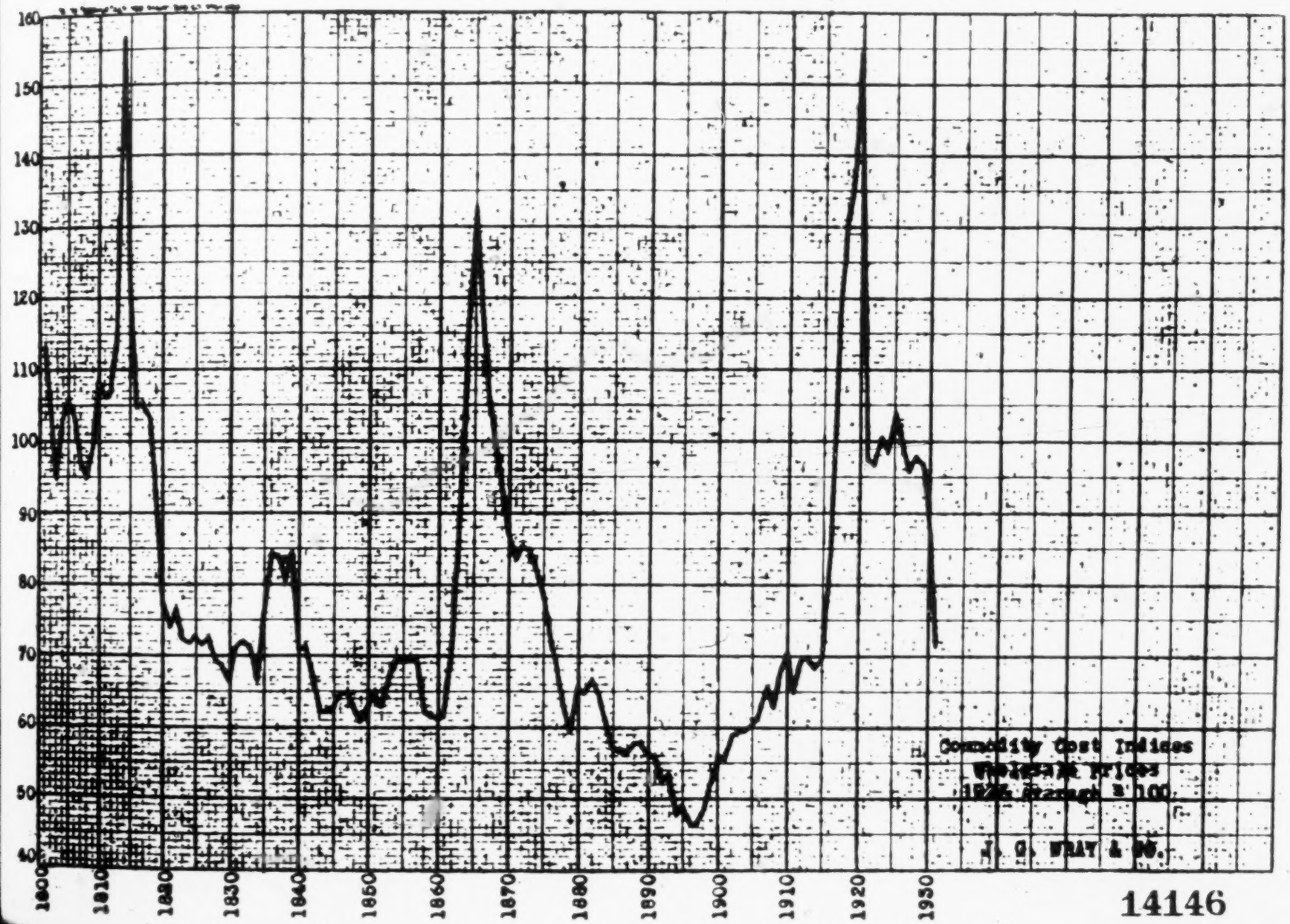


EXHIBIT K-14

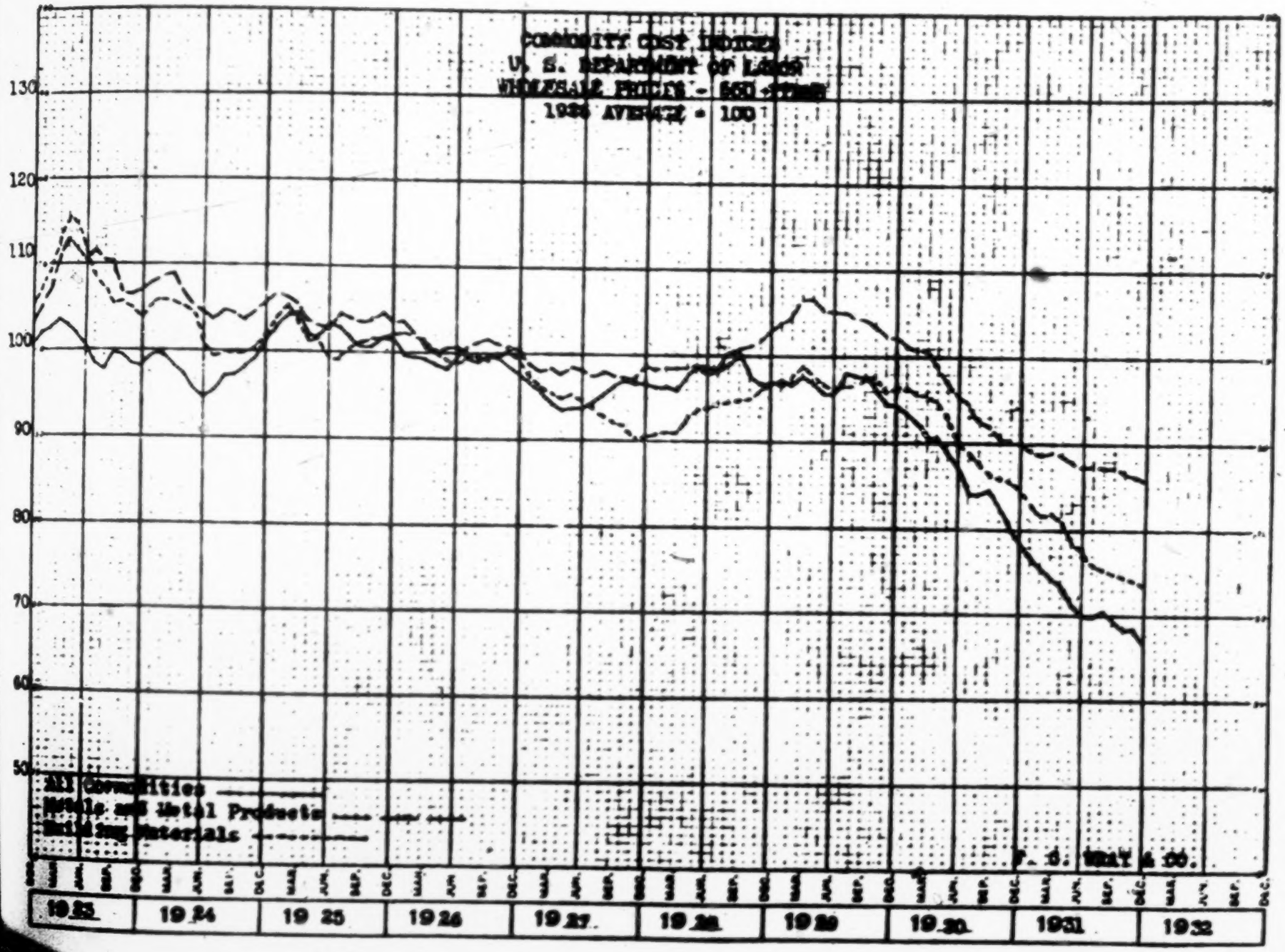
EXHIBIT X-14 - Continued



CROSS BOOK CO., INC., NEW YORK

EXHIBIT X-14 - Continued

EXHIBIT X 14 CONTINUED



[fol. 14148]

EXHIBIT X-15

Western Electric Company, Inc.

Profit and Loss, Year 1929

(Dollars in Thousands)

	Total			Telephone Apparatus			Lead Covered Cable			Supplies		
Sales:	Total	Bell	Non-tell	Total	Bell	Non-Bell	Total	Bell	Non-Bell	Total	Bell	Non-Bell
Telephone appliances	.....	.....	.....	$184,710	176,646	8,064	.....	.....	.....	.....	.....	.....
Special Commercial products	.....	.....	.....	26,047	1,522	24,525	.....	.....	.....	.....	.....	.....
Total Sales	$410,950	372,383	38,567	210,757	178,168	32,589	66,958	63,915	3,043	133,235	130,300	2,935
Gross Profit:												
Basic gross profit (adjusted)	$65,421	54,752	10,669	49,616	39,365	10,251	8,153	7,879	274	7,652	7,508	144
Manufacturing surplus and current underrun	17,720	17,747	2,286	16,767	14,680	2,087	2,890	2,691	199	376	376	.....
Manufacturing surplus and current underrun	15,247*	17,207*	353*	14,031*	13,734*	297*	2,516*	2,460*	56*	1,013*	1,013*	.....
Inventory revaluation and reserves	122	163	17	158	142	16	9	8	1	13	13	.....
Inventory revaluation and reserves	6,747*	6,136*	669*	6,103*	5,465*	638*	636*	605*	31*	66*	66*	.....
Total Gross Profit	$61,269	49,319	11,950	46,407	34,988	11,419	7,900	7,513	387	6,962	6,818	144
	Not classified											
Other Income:												
Royalties	$295	$295	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Dividends	5,395	5,395	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Interest and other (Supplies includes (1) not classified)	2,756	3,640	869	14	732	720	12	65	63	2	87	86	.....
	$8,446	$9,330	869	14	732	720	12	65	63	2	87	86	.....
Total income	$8,446	$70,599	50,188	11,964	47,139	35,708	11,431	7,965	7,576	389	7,049	6,904	144
Expenses:												
Development expenses	$326	$11,350	8,910	2,114	10,218	8,142	2,076	806	768	38	.....	.....	.....
General expense (T. A. includes 42 not classified)	.....	5,182	3,919	1,221	4,207	2,980	1,185	239	213	26	736	726	10
Merchandising expense	.....	20,135	18,642	1,493	15,294	13,896	1,398	656	639	17	4,185	4,107	78
Federal taxes	272	2,363	1,329	762	1,267	540	727	628	597	31	196	192	4
Total Expenses	$598	$39,030	32,800	5,590	30,986	25,558	5,386	2,329	2,217	112	5,117	5,025	92
Net profit	$7,848	$31,569	17,388	6,374	16,153	10,150	6,045	5,636	5,359	277	1,932	1,879	52
Unallocated difference in gross profit		13										
		$31,556										

* Red figures.

[fol. 14149]

EXHIBIT X-16

Western Electric Company, Inc.

Analysis of Basic Gross Profit, Year 1929

(Dollars in Thousands)

	Total			Telephone Apparatus			Lead Covered Cable			Supplies		
Merchandise Department:	Total	Bell	Others	Total	Bell	Others	Total	Bell	Others	Total	Bell	Others
Basic gross	$56,899	46,541	10,358	47,426	37,407	10,019	8,191	7,931	260	1,282	1,203	79
Reversal of 1928 claim entries	31	30	1	30	30					1		1
1929 claim entries	169*	163*	6*	167*	162*	5*	1*	1*		1*		1*
Gross profit on supplies allowed distributing houses	554*	553*	1*							554*	553*	1*
Effect of price revision on D. H. inventories first six months of 1929	5*	5*		120*	120*		115	115				
Remuneration for inspection	88	60	28							88	60	28
Profit contract appraisals of returned exchanges	16	16		16	16							
Local cable design surplus	180	180		180	180							
Changes in allowance price for Class "A" material	89*	89*		89*	89*							
Excess profit on closed switchboard jobs	183	183		183	183							
Gross loss on Class "A" and "B" material (junked and salvaged)	236	236		236	236							
Adjustment to basic gross profit on Class "A H" material	28*	28*		28*	28*							
Errors in December 1928 partial deliveries	347*	294*	53*	347*	294*	53*						
Unexplained difference	1,805*	1,508*	297*	1,805*	1,508*	297*						
Sundry profit and losses	171	167	4	80	80		90	86	4	1	1	
	$54,807	44,773	10,034	45,595	35,931	9,664	8,395	8,131	264	817	711	106
Distributing Houses:												
Gross profit on local shop manufacture	$321	321		321	321							
Local shop surplus	828	828		828	828							
Effect of price revision on D. H. inventories last six months of 1929	267*	267*		267*	267*							
Liquidation of closing reserves	105			64			5	5		36		36
Profit on supplies billed on merchandise and other departments	5									5		
Profit on sale at distributor prices	11	551*	29	9	293*	19	2	43*	10			
Loss incurred in disposal of over-stock	9*			4*			1*			4*		
Other adjustments to profit (including unexplained difference)	634*			343*			34*			257*	220*	36*
Remuneration on sales of supplies	6,300	6,288	12							6,300	6,288	12
Inspection on purchase of supplies	671	671								671	671	
	$7,331	7,290	41	608	589	19	28*	38*	10	6,751	6,739	12
Installation Department:												
Gross profit and remuneration on direct expense material	$105	105		105	105							
General loading	1,067	1,067		1,067	1,067							
Accounts outlawed by statute of limitation	20	20		20	20							
	$1,192	1,192		1,192	1,192							
Broadway:												
Profit on sale of connecting blocks	$64	47	17	64	47	17						
Miscellaneous profits and losses	6	5	1	2	1	1	4	4				
Effect of revaluing D. H. inventories to standard shop cost	139*	139*		79	79		218*	218*				
Effect of change in reserve to distribute equipment gross profit in proportion to billing and installation	618*	618*		618*	618*							
Inspection on purchases of supplies	113	98	15							113	98	15
Remuneration on sales to distributors	12	1	11							12	1	11
Queensboro transfer (booths)	36*	36*								36*	36*	
Reserve discounts	5*	5*								5*	5*	
	$603*	647*	44	473*	491*	18	214*	214*		84	58	26
Special Service:												
Manufacturing Department	$42		42	42		42						
Merchandise	18	8	10	18	8	10						
Distributing Houses	2,117	2,117		2,117	2,117							
[illegible]	491		491	491		491						

	Total			Telephone Apparatus			Lead Covered Cable			Supplies		
Merchandise Department:	Total	Bell	Others	Total	Bell	Others	Total	Bell	Others	Total	Bell	Others
Basic gross	$56,899	46,541	10,358	47,426	37,407	10,019	8,191	7,931	260	1,282	1,203	79
Reversal of 1928 claim entries	31	30	1	30	30					1		1
1929 claim entries	169*	163*	6*	167*	162*	5*	1*	1*		1*		1*
Gross profit on supplies allowed distributing houses	554*	553*	1*							554*	553*	1*
Effect of price revision on D. H. inventories first six months of 1929	5*	5*		120*	120*		115	115				
Remuneration for inspection	88	60	28							88	60	28
Profit contract appraisals of returned exchanges	16	16		16	16							
Local cable design surplus	180	180		180	180							
Changes in allowance price for Class "A" material	89*	89*		89*	89*							
Excess profit on closed switchboard jobs	183	183		183	183							
Gross loss on Class "A" and "B" material (junked and salvaged)	236	236		236	236							
Adjustment to basic gross profit on Class "A H" material	28*	28*		28*	28*							
Errors in December 1928 partial deliveries	347*	294*	53*	347*	294*	53*						
Unexplained difference	1,805*	1,508*	297*	1,805*	1,508*	297*						
Sundry profit and losses	171	167	4	80	80		90	86	4	1	1	
	$54,807	44,773	10,034	45,595	35,931	9,664	8,395	8,131	264	817	711	106
Distributing Houses:												
Gross profit on local shop manufacture	$321	321		321	321							
Local shop surplus	828	828		828	828							
Effect of price revision on D. H. inventories last six months of 1929	267*	267*		267*	267*							
Liquidation of closing reserves	105			64			5	5		36		36
Profit on supplies billed on merchandise and other departments	5									5		
Profit on sale at distributor prices	11	551*	29	9	293*	19	2	43*	10			
Loss incurred in disposal of over-stock	9*			4*			1*			4*		
Other adjustments to profit (including unexplained difference)	634*			343*			34*			257*	220*	36*
Remuneration on sales of supplies	6,300	6,288	12							6,300	6,288	12
Inspection on purchase of supplies	671	671								671	671	
	$7,331	7,290	41	608	589	19	28*	38*	10	6,751	6,739	12
Installation Department:												
Gross profit and remuneration on direct expense material	$105	105		105	105							
General loading	1,067	1,067		1,067	1,067							
Accounts outlawed by statute of limitation	20	20		20	20							
	$1,192	1,192		1,192	1,192							
Broadway:												
Profit on sale of connecting blocks	$64	47	17	64	47	17						
Miscellaneous profits and losses	6	5	1	2	1	1	4	4				
Effect of revaluing D. H. inventories to standard shop cost	139*	139*		79	79		218*	218*				
Effect of change in reserve to distribute equipment gross profit in proportion to billing and installation	618*	618*		618*	618*							
Inspection on purchases of supplies	113	98	15							113	98	15
Remuneration on sales to distributors	12	1	11							12	1	11
Queensboro transfer (booths)	36*	36*								36*	36*	
Reserve discounts	5*	5*								5*	5*	
	$603*	647*	44	473*	491*	18	214*	214*		84	58	26
Special Service:												
Manufacturing Department	$42		42	42		42						
Merchandise	18	8	10	18	8	10						
Distributing Houses	2,117	2,117		2,117	2,117							
Broadway	491		491	491		491						
	$2,668	2,125	543	2,668	2,125	543						
Manufacturing Expense Recovered Through Royalties	$12	5	7	12	5	7						
Manufacturing Department Uncalled for Pay	$14	14		14	14							
Total Basic Gross Profit	$65,421	54,752	10,669	49,616	39,365	10,251	8,153	7,879	274	7,652	7,508	144

* Red figures.

[fols. 14150-14151]

EXHIBIT X-34

Western Electric Company, Inc.

Gross Profit

(Dollars in Thousands)

	Total Gross Profit				Adjusted Basic Gross				Manufacturing Inventory and Reserves Adjustments (Together)				Manufacturing Surplus Current Underrun (Current Variation)				Inventory Revaluation and Reserves			
	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.
Year 1931:																				
Additions to gross profit									17,257	7,760	9,729	77	16,691	7,036	9,655		566	724	74	77
Deductions from gross profit									22,557	13,243	8,074	1,549	16,184	9,364	6,411	409	6,373	3,879	1,663	1,140
Total adjustments to gross profit									39,814	21,003	17,803	1,626	32,875	16,400	16,066	409	6,939	4,603	1,737	1,217
Net adjustments to gross profit	$42,833	38,726	808	3,299	48,133	44,209	847*	4,771	5,300*	5,483*	1,655	1,472*	507	2,328*	3,244	409*	5,807*	3,155*	1,589*	1,063*
Year 1930:																				
Additions to gross profit									14,001	6,938	7,404	1	12,814	5,797	7,236		1,187	1,141	168	1
Deductions from gross profit									21,402	15,885	4,816	1,043	15,251	11,585	3,716	169	6,151	4,300	1,100	874
Total adjustments to gross profit									35,403	22,823	12,220	1,044	28,065	17,382	10,952	169	7,338	5,441	1,268	875
Net adjustments to gross profit	$54,450	42,513	6,084	5,853	61,851	51,460	3,496	6,895	7,401*	8,947*	2,588	1,042*	2,437*	5,788*	3,520	169*	4,964*	3,159*	932*	873*
Year 1929:																				
Additions to gross profit									17,842	16,925	2,899	389	17,720	16,767	2,890	376	122	158	9	13
Deductions from gross profit									21,994	20,134	3,152	1,079	15,247	14,031	2,516	1,013	6,747	6,103	636	66
Total adjustments to gross profit									39,836	37,059	6,051	1,468	32,967	30,798	5,406	1,389	6,869	6,261	645	79
Net adjustments to gross profit	$61,269	46,407	7,900	6,962	65,421	49,616	8,153	7,652	4,152*	3,209*	253*	690*	2,473	2,736	374	637*	6,625*	5,945*	627*	53*
Year 1928:																				
Additions to gross profit									16,777	12,111	5,145	205	13,014	8,410	5,086	186	3,763	3,701	59	19
Deductions from gross profit									11,130	11,099	688	27	6,358	6,815	185	26	4,772	4,284	503	1
Total adjustments to gross profit									27,907	23,210	5,833	232	19,372	15,225	5,271	212	8,535	7,985	562	20
Net adjustments to gross profit	$54,175	43,754	5,098	5,323	48,528	42,742	641	5,145	5,647	1,012	4,457	178	6,656	1,595	4,901	160	1,009*	583*	444*	18
Year 1927:																				
Additions to gross profit									13,374	8,818	4,603	594	10,597	6,956	3,752	427	2,777	1,862	851	167
Deductions from gross profit									5,331	5,383	552	37	3,654	3,690	465	37	1,677	1,693	87	
Total adjustments to gross profit									18,705	14,201	5,155	631	14,251	10,646	4,217	464	4,454	3,555	938	167
Net adjustments to gross profit	$56,447	45,182	6,415	4,850	48,404	41,747	2,364	4,293	8,043	3,435	4,051	557	6,943	3,266	3,287	390	1,100	169	764	167
Year 1926:																				
Additions to gross profit									12,347	10,458	2,655		11,309	9,373	2,052		1,038	1,085	3	
Deductions from gross profit									10,108	7,823	2,321	130	6,025	4,878	1,263		4,083	2,945	1,058	130
Total adjustments to gross profit									22,455	18,281	4,376	130	17,334	14,251	3,315		5,121	4,030	1,061	130
Net adjustments to gross profit	$51,856	44,268	2,887	4,701	49,617	41,633	3,153	4,831	2,239	2,635	266*	130*	5,284	4,495	789		3,045*	1,860*	1,055*	130*
Year 1925:																				
Additions to gross profit									4,100	4,022	71	71	3,008	2,987	22	63	1,092	1,035	49	8
Deductions from gross profit									15,379	7,297	8,146		11,713	3,710	8,067		3,666	3,587	79	
									19,479	11,319	8,217	71	14,721	6,697	8,089	63	4,758	4,622	128	8

Total adjustments to gross profit									27,907	23,210	5,833	232	19,372	15,225	5,271	212	8,535	7,985	562	20
Net adjustments to gross profit	$54,175	43,754	5,098	5,323	48,528	42,742	641	5,145	5,647	1,012	4,457	178	6,656	1,595	4,901	160	1,009*	583*	444*	18
Year 1927:																				
Additions to gross profit									13,374	8,818	4,603	594	10,597	6,956	3,752	427	2,777	1,862	851	167
Deductions from gross profit									5,331	5,383	552	37	3,654	3,690	465	37	1,677	1,693	87	.....
Total adjustments to gross profit									18,705	14,201	5,155	631	14,251	10,646	4,217	464	4,454	3,555	938	167
Net adjustments to gross profit	$56,447	45,182	6,416	4,850	48,404	41,747	2,364	4,293	8,043	3,435	4,051	557	6,943	3,266	3,287	390	1,100	169	764	167
Year 1926:																				
Additions to gross profit									12,347	10,458	2,055	.....	11,309	9,373	2,052	.....	1,038	1,085	3	.....
Deductions from gross profit									10,108	7,823	2,321	130	6,025	4,878	1,263	.....	4,083	2,945	1,058	130
Total adjustments to gross profit									22,455	18,281	4,376	130	17,334	14,251	3,315	.....	5,121	4,030	1,061	130
Net adjustments to gross profit	$51,856	44,268	2,887	4,701	49,617	41,638	3,153	4,831	2,239	2,635	266*	130*	5,284	4,495	789	.....	3,045*	1,860*	1,055*	130*
Year 1925:																				
Additions to gross profit									4,100	4,022	71	71	3,008	2,987	22	63	1,092	1,035	49	8
Deductions from gross profit									15,379	7,297	8,146	.....	11,713	2,710	8,067	.....	3,666	3,587	79	.....
Total adjustments to gross profit									19,479	11,319	8,217	71	14,721	6,697	8,089	63	4,758	4,622	128	8
Net adjustments to gross profit	$58,656	41,463	5,031	12,162	69,935	44,738	13,106	12,091	11,279*	3,275*	8,075*	71	8,705*	723*	8,045*	63	2,574*	2,552*	30*	8
Year 1924:																				
Additions to gross profit									4,395	4,308	87	131	3,949	3,880	69	130	446	428	18	1
Deductions from gross profit									11,863	6,737	5,132	125	9,498	4,431	5,072	125	2,365	2,306	60	.....
Total adjustments to gross profit									16,258	11,045	5,219	256	13,447	8,311	5,141	255	2,811	2,734	78	1
Net adjustments to gross profit	$55,114	41,421	2,589	11,104	62,582	43,850	7,634	11,088	7,468*	2,429*	5,045*	6	5,549*	551*	5,003*	5	1,919*	1,878*	42*	1
Year 1923:																				
Additions to gross profit									5,638	5,017	664	.....	4,171	3,927	287	.....	1,467	1,090	377	.....
Deductions from gross profit									6,141	3,427	2,757	.....	5,409	2,695	2,757	.....	732	732	.....	.....
Total adjustments to gross profit									11,779	8,444	3,421	.....	9,580	6,622	3,044	.....	2,199	1,822	377	.....
Net adjustments to gross profit	$39,237	24,839	2,816	11,582	39,740	23,249	4,909	11,582	503*	1,590	2,093*	.....	1,238*	1,232	2,470*	.....	735	358	377	.....
Year 1922:																				
Additions to gross profit									1,439	406	1,145	.....	1,214	255	1,039	.....	225	151	106	.....
Deductions from gross profit									5,523	5,342	216	77	4,785	4,649	216	.....	738	693	.....	77
Total adjustments to gross profit									6,962	5,748	1,361	77	5,999	4,904	1,255	.....	963	844	106	77
Net adjustments to gross profit	$30,003	20,035	1,689	8,279	34,087	24,971	760	8,356	4,084*	4,936*	929	77*	3,571*	4,394*	823	.....	513*	542*	106	77*
Year 1921:																				
Additions to gross profit									9,376	5,308	4,090	38	8,719	4,651	4,090	.....	657	657	.....	38
Deductions from gross profit									2,979	2,965	74	.....	2,724	2,691	55	.....	255	274	19	.....
Total adjustments to gross profit									12,355	8,273	4,164	38	11,443	7,342	4,145	.....	912	931	19	38
Net adjustments to gross profit	$29,252	22,360	1,360	5,532	22,855	20,017	2,656*	5,494	6,397	2,343	4,016	38	5,995	1,960	4,035	.....	402	383	19*	38
Year 1920:																				
Additions to gross profit									3,697	3,425	272	.....	3,295	3,023	272	.....	402	402	.....	.....
Deductions from gross profit									18,159	13,265	4,894	.....	18,119	13,225	4,894	.....	40	40	.....	.....
Total adjustments to gross profit									21,856	16,690	5,166	.....	21,414	16,248	5,166	.....	442	42	.....	.....
Net adjustments to gross profit	$27,623	13,147	1,647	12,829	42,085	22,987	6,269	12,829	14,462*	9,840*	4,622*	.....	14,824*	10,202*	4,622*	.....	362	362	.....	.....
Year 1919:																				
Additions to gross profit									2,093	1,724	202	167	1,676	1,627	49	.....	417	97	153	167
Deductions from gross profit									8,574	6,484	2,035	55	8,519	6,484	2,035	.....	55	.....	.....	55
									10,667	8,208	2,237	222	10,195	8,111	2,084	.....	472	97	153	222

Additions to gross profit									4,395	4,308	87	131	3,949	3,880	69	130	446	428	18	1
Deductions from gross profit									11,863	6,737	5,132	125	9,498	4,431	5,072	125	2,365	2,306	60	
Total adjustments to gross profit									16,258	11,045	5,219	256	13,447	8,311	5,141	255	2,811	2,734	78	1
Net adjustments to gross profit	$55,114	41,421	2,589	11,104	62,582	43,850	7,634	11,098	7,468*	2,429*	5,045*	6	5,549*	551*	5,003*	5	1,919*	1,878*	42*	1
Year 1923:																				
Additions to gross profit									5,638	5,017	664		4,171	3,927	287		1,467	1,090	377	
Deductions from gross profit									6,141	3,427	2,757		5,409	2,695	2,757		732	732		
Total adjustments to gross profit									11,779	8,444	3,421		9,580	6,622	3,044		2,199	1,822	377	
Net adjustments to gross profit	$39,237	24,839	2,816	11,582	39,740	23,249	4,909	11,582	503*	1,590	2,093*		1,238*	1,232	2,470*		735	358	377	
Year 1922:																				
Additions to gross profit									1,439	406	1,145		1,214	255	1,039		225	151	106	
Deductions from gross profit									5,523	5,342	216	77	4,785	4,649	216		738	693		77
Total adjustments to gross profit									6,962	5,748	1,361	77	5,999	4,904	1,255		963	844	106	77
Net adjustments to gross profit	$30,003	20,035	1,689	8,279	34,087	24,971	760	8,356	4,084*	4,936*	929	77*	3,571*	4,394*	823		513*	542*	106	77*
Year 1921:																				
Additions to gross profit									9,376	5,308	4,090	38	8,719	4,651	4,090		657	657		38
Deductions from gross profit									2,979	2,965	74		2,724	2,691	55		255	274	19	
Total adjustments to gross profit									12,355	8,273	4,164	38	11,443	7,342	4,145		912	931	19	38
Net adjustments to gross profit	$29,252	22,360	1,360	5,532	22,855	20,017	2,656*	5,494	6,397	2,343	4,016	38	5,995	1,960	4,035		402	383	19*	38
Year 1920:																				
Additions to gross profit									3,697	3,425	272		3,295	3,023	272		402	402		
Deductions from gross profit									18,159	13,265	4,894		18,119	13,225	4,894		40	40		
Total adjustments to gross profit									21,856	16,690	5,166		21,414	16,248	5,166		442	42		
Net adjustments to gross profit	$27,623	13,147	1,647	12,829	42,085	22,987	6,269	12,829	14,462*	9,840*	4,622*		14,824*	10,202*	4,622*		362	362		
Year 1919:																				
Additions to gross profit									2,093	1,724	202	167	1,676	1,627	49		417	97	153	167
Deductions from gross profit									8,574	6,484	2,035	55	8,519	6,484	2,035		55			55
Total adjustments to gross profit									10,667	8,208	2,237	222	10,195	8,111	2,084		472	97	153	222
Net adjustments to gross profit	$21,116	11,194	1,334	8,588	27,597	15,954	3,167	8,476	6,481*	4,760*	1,833*	112	6,843*	4,857*	1,986*		362	97	153	112
Year 1918:																				
Additions to gross profit									182	180	2		142	140	2		40	40		
Deductions from gross profit									13,677	9,071	4,576	30	13,202	8,637	4,565		475	434	11	30
Total adjustments to gross profit									13,859	9,251	4,578	30	13,344	8,777	4,567		515	474	11	30
Net adjustments to gross profit	$20,045	11,288	582	8,175	33,540	20,179	5,156	8,205	13,495*	8,891*	4,574*	30*	13,060*	8,497*	4,563*		435*	394*	11*	30*
Year 1917:																				
Additions to gross profit									950	950	228		763	763	228		187	187		
Deductions from gross profit									20,306	9,005	11,466	63	19,573	8,586	11,215		733	419	251	63
Total adjustments to gross profit									21,256	9,955	11,694	63	20,336	9,349	11,443		920	606	251	63
Net adjustments to gross profit	$17,576	8,438	1,385	7,753	36,932	16,493	12,623	7,816	19,356*	8,055*	11,238*	63*	18,810*	7,823*	10,987*		546*	232*	251*	63*
Year 1916:																				
Additions to gross profit									349	349	26		333	333			16	16	26	
Deductions from gross profit									8,810	3,354	5,480	2	7,612	2,196	5,416		1,198	1,158	64	2
Total adjustments to gross profit									9,159	3,703	5,506	2	7,945	2,529	5,416		1,214	1,174	90	2
Net adjustments to gross profit	$13,200	5,870	1,563	5,767	21,661	8,875	7,017	5,769	8,461*	3,005*	5,454*	2*	7,279*	1,863*	5,416*		1,182*	1,142*	38*	2*

* Red figures.

[fols. 14152-14163]

EXHIBIT X-35

Western Electric Company, Inc.

Gross Profit

(Dollars in Thousands)

	Total Gross Profit				Adjusted Basic Gross				Manufacturing, Inventory and reserves adjustments (Together)				Manufacturing surplus and current under-run (Current Variation)				Inventory revaluations and reserves			
	Total	T. A.	L.C.C.	Supp.	Total	T. A.	L.C.C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.
Years 1923–1930, incl.																				
Additions									88,474	68,597	22,928	1,391	76,582	58,097	21,394	1,182	11,892	10,500	1,534	209
Deductions									103,348	77,785	27,564	2,441	73,155	51,835	24,041	1,370	30,193	25,950	3,523	1,071
Total									191,822	146,382	50,492	3,832	149,737	109,932	45,435	2,522	42,085	36,450	5,057	1,280
Net	$431,204	329,847	38,820	62,537	446,078	339,035	43,456	63,587	14,874*	9,188*	4,636*	1,050*	3,427	6,262	2,647*	188*	18,301*	15,450*	1,989*	862*
Years 1921–1930, incl.																				
Additions									99,289	74,311	28,163	1,429	86,515	63,003	26,523	1,182	12,774	11,308	1,640	247
Deductions									111,850	86,092	27,854	2,518	80,664	59,175	24,312	1,370	31,186	26,917	3,542	1,148
Total									211,139	160,403	56,017	3,947	167,179	122,178	50,835	2,552	43,960	38,225	5,182	1,395
Net	$490,459	372,242	41,869	76,348	503,020	384,023	41,560	77,437	12,561*	11,781*	309	1,089*	5,851	3,828	2,211	188*	18,412*	15,609*	1,902*	901*
Years 1916–1923, incl.																				
Additions									23,724	17,359	6,629	205	20,313	14,719	5,967	.....	3,411	2,640	662	205
Deductions									84,169	52,913	31,498	227	79,943	49,163	31,153	.....	4,226	3,750	345	227
Total									107,893	70,272	38,127	432	100,256	63,882	37,120	.....	7,637	6,390	1,007	432
Net	$198,052	117,171	12,376	68,505	258,497	152,725	37,245	68,527	60,445*	35,554*	24,869*	22*	59,630*	34,444*	25,186*	.....	815*	1,110*	317	22*
Years 1916–1924, incl.																				
Additions									28,119	21,667	6,716	336	24,262	18,599	6,036	130	3,857	3,068	680	206
Deductions									96,032	59,650	36,630	352	89,441	53,594	36,225	125	6,591	6,056	405	227
Total									124,151	81,317	43,346	688	113,703	72,193	42,261	255	10,448	9,124	1,085	433
Net	$253,166	158,592	14,965	79,609	321,079	196,575	44,879	79,625	67,913*	37,983*	29,914*	16*	65,179*	34,995*	30,189*	5	2,734*	2,988*	275	21*
Years 1916–1925, incl.																				
Additions									32,219	25,689	6,787	407	27,270	21,586	6,058	193	4,949	4,103	729	214
Deductions									111,411	66,947	44,776	352	101,154	57,304	44,292	125	10,257	9,643	484	227
Total									143,630	92,636	51,563	759	128,424	78,890	50,350	318	15,206	13,746	1,213	441
Net	$311,822	200,055	19,996	91,771	391,014	241,313	57,985	91,716	79,192*	41,258*	37,989*	55	73,884*	35,718*	38,234*	68	5,308*	5,540*	245	13*
Years 1916–1926, incl.																				
Additions									44,566	36,147	8,842	407	38,579	30,959	8,110	193	5,987	5,188	732	214
Deductions									121,519	74,770	47,097	482	107,179	62,182	45,555	125	14,340	12,588	1,542	357
Total									166,085	110,917	55,939	889	145,758	93,141	53,665	318	20,327	17,776	2,274	571
Net	$363,678	244,323	22,883	96,472	440,631	282,946	61,138	96,547	76,953*	38,623*	38,255*	75*	68,600*	31,223*	37,445*	68	8,353*	7,400*	810*	143*
Years 1916–1927, incl.																				
Additions									57,940	44,965	13,445	1,001	49,176	37,915	11,862	620	8,764	7,050	1,583	381
									126,850	80,153	47,649	519	110,833	65,872	46,020	162	16,017	14,281	1,629	357

Total									107,893	70,272	38,127	432	100,256	63,882	37,120		7,637	6,390	1,007	432
Net	$198,052	117,171	12,376	68,505	258,497	152,725	37,245	68,527	60,445*	35,554*	24,869*	22*	59,630*	34,444*	25,186*		815*	1,110*	317	22*
Years 1916–1924, incl.																				
Additions									28,119	21,667	6,716	336	24,262	18,599	6,036	130	3,857	3,068	680	206
Deductions									96,032	59,650	36,630	352	89,441	53,594	36,225	125	6,591	6,056	405	227
Total									124,151	81,317	43,346	688	113,703	72,193	42,261	255	10,448	9,124	1,085	433
Net	$253,166	158,592	14,965	79,609	321,079	196,575	44,879	79,625	67,913*	37,983*	29,914*	16*	65,179*	34,995*	30,189*	5	2,734*	2,988*	275	31*
Years 1916–1925, incl.																				
Additions									32,219	25,689	6,787	407	27,270	21,586	6,058	193	4,949	4,103	729	214
Deductions									111,411	66,947	44,776	352	101,154	57,304	44,292	125	10,257	9,643	484	227
Total									143,630	92,636	51,563	759	128,424	78,890	50,350	318	15,206	13,746	1,213	441
Net	$311,822	200,055	19,998	91,771	391,014	241,313	57,985	91,716	79,192*	41,258*	37,989*	55	73,884*	35,718*	38,234*	68	5,308*	5,540*	245	18*
Years 1916–1926, incl.																				
Additions									44,566	36,147	8,842	407	38,579	30,959	8,110	193	5,987	5,188	732	214
Deductions									121,519	74,770	47,097	482	107,179	62,182	45,555	125	14,340	12,588	1,542	357
Total									166,085	110,917	55,939	889	145,758	93,141	53,665	318	20,327	17,776	2,274	571
Net	$363,678	244,323	22,883	96,472	440,631	282,946	61,138	96,547	76,953*	38,623*	38,255*	75*	68,600*	31,223*	37,443*	68	8,353*	7,400*	810*	143*
Years 1916–1927, incl.																				
Additions									57,940	44,965	13,445	1,001	49,176	37,915	11,862	620	8,764	7,050	1,583	381
Deductions									126,850	80,153	47,649	519	110,833	65,872	46,020	162	16,017	14,281	1,629	357
Total									184,790	125,118	61,094	1,520	160,009	103,787	57,882	782	24,781	21,331	3,212	738
Net	$420,125	289,505	29,298	101,322	489,035	324,693	63,502	100,840	68,910*	35,188*	34,204*	482	61,657*	27,957*	34,158*	458	7,253*	7,231*	46*	24
Years 1916–1928, incl.																				
Additions									74,717	57,076	18,590	1,206	62,190	46,325	16,948	806	12,527	10,751	1,642	400
Deductions									137,980	91,252	48,337	546	117,191	72,687	46,205	188	20,789	18,565	2,132	358
Total									212,697	148,328	66,927	1,752	179,381	119,012	63,153	994	33,316	29,316	3,774	758
Net	$474,300	333,259	34,396	106,645	537,563	367,435	64,143	105,985	63,263*	34,176*	29,747*	660	55,001*	26,362*	29,257*	618	8,262*	7,814*	490*	42
Years 1916–1929, incl.																				
Additions									92,559	74,001	21,489	1,595	79,910	63,092	19,838	1,182	12,649	10,909	1,651	413
Deductions									159,974	111,388	51,489	1,625	132,438	86,718	48,721	1,201	27,536	24,668	2,768	424
Total									252,533	185,387	72,978	3,220	212,348	149,810	68,559	2,383	40,185	35,577	4,419	837
Net	$535,569	379,666	42,296	113,607	602,984	417,051	72,296	113,637	67,415*	37,385*	30,000*	30*	52,528*	23,626*	28,883*	19*	14,887*	13,759*	1,117*	11*
Years 1916–1930, incl.																				
Additions									106,560	80,939	28,893	1,596	92,724	68,889	27,074	1,182	13,836	12,050	1,819	414
Deductions									181,376	127,271	56,305	2,668	147,689	98,303	52,437	1,370	33,687	28,968	3,868	1,298
Total									287,936	208,210	85,198	4,264	240,413	167,192	79,511	2,552	47,523	41,018	5,687	1,712
Net	$590,019	422,179	48,380	119,460	664,835	468,511	75,792	120,532	74,816*	46,332*	27,412*	1,072*	54,965*	29,414*	25,363*	188*	19,851*	16,918*	2,049*	884*
Years 1916–1931, incl.																				
Additions									123,817	88,699	38,622	1,673	109,415	75,925	36,729	1,182	14,402	12,774	1,893	491
Deductions									203,933	140,514	64,379	4,217	163,873	107,667	58,848	1,779	40,060	32,847	5,531	2,438
Total									327,750	229,213	103,001	5,890	273,288	183,592	95,577	2,961	54,462	45,621	7,424	2,929
Net	$632,852	460,905	49,188	122,759	712,968	512,720	74,945	125,303	80,116*	51,815*	25,757*	2,544*	54,458*	31,742*	22,119*	597*	25,658*	20,073*	3,638*	1,947*

* Red figures.

(Copy)

February 6, 1929.

[fol. 14164]

EXHIBIT X-39

Western Electric Company, Inc.

Division of Operating Surplus

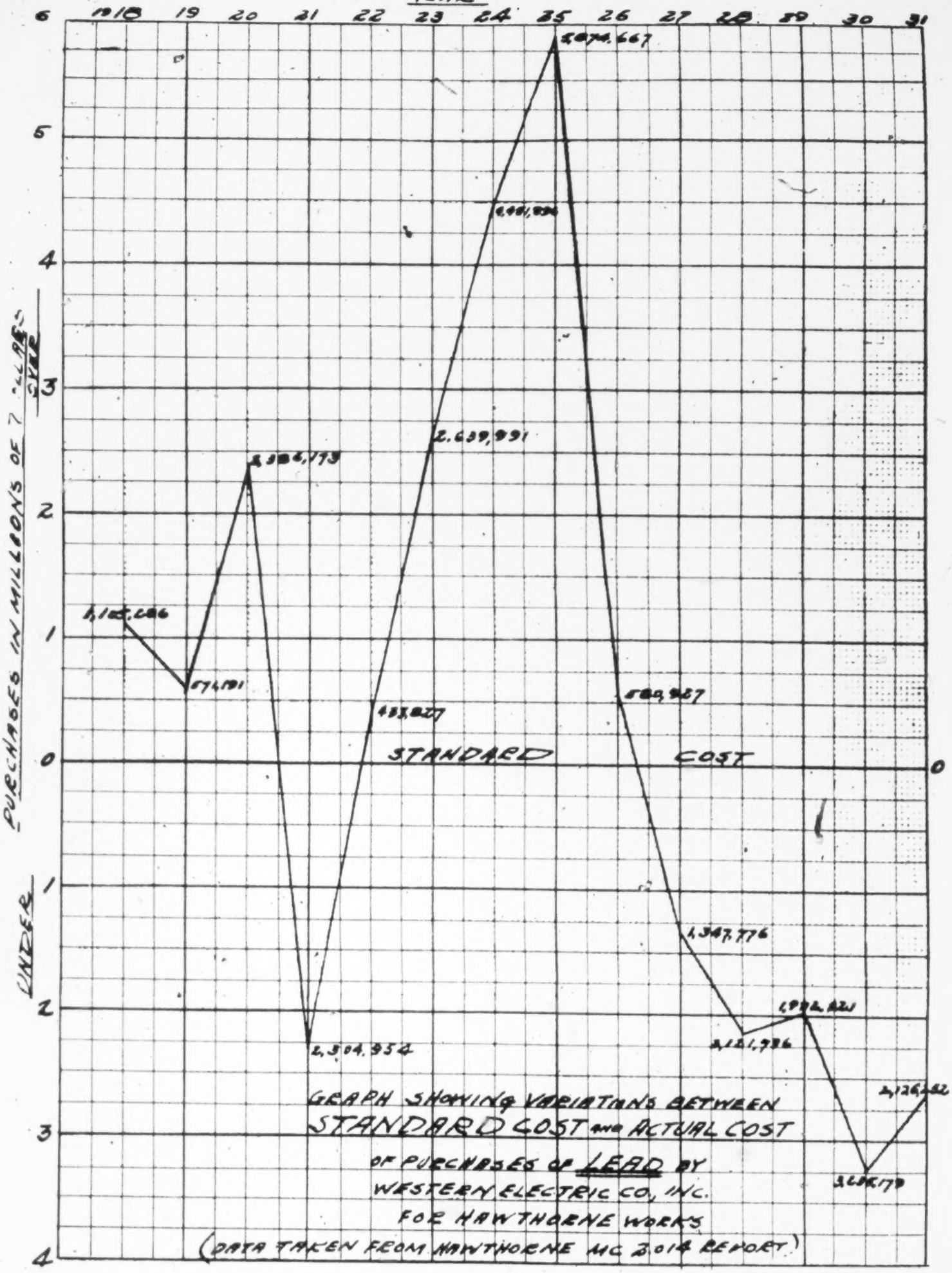
Total Apparatus and Equipment and Lead Covered Cable

1921 to 1930, Inclusive

(Dollars in Thousands)

Year	Total	Process merchandise	Labor increment	Expense loading
1921	$2,569	(1,563)	402	3,730
1922	322	694	214	(586)
1923	3,057	755	(375)	2,677
1924	(4,633)	(4,625)	(253)	245
1925	(1,900)	4,908	342	(7,150)
1926	7,054	8,732	(578)	(1,100)
1927	(543)	5,819	80	(6,442)
1928	2,675	4,104	(644)	(785)
1929	(2,238)	(5,939)	(3,061)	6,762
1930	(7,746)	(518)	701	(7,929)
Total 1921 to 1930	($1,383)	12,367	(3,172)	(10,578)

EXHIBIT X-40



GRAPH SHOWING VARIATIONS BETWEEN STANDARD COST and ACTUAL COST OF PURCHASES OF LEAD BY WESTERN ELECTRIC CO., INC. FOR HAWTHORNE WORKS

(DATA TAKEN FROM HAWTHORNE MC 3.014 REPORT)

14165

4968

EXHIBIT X-41

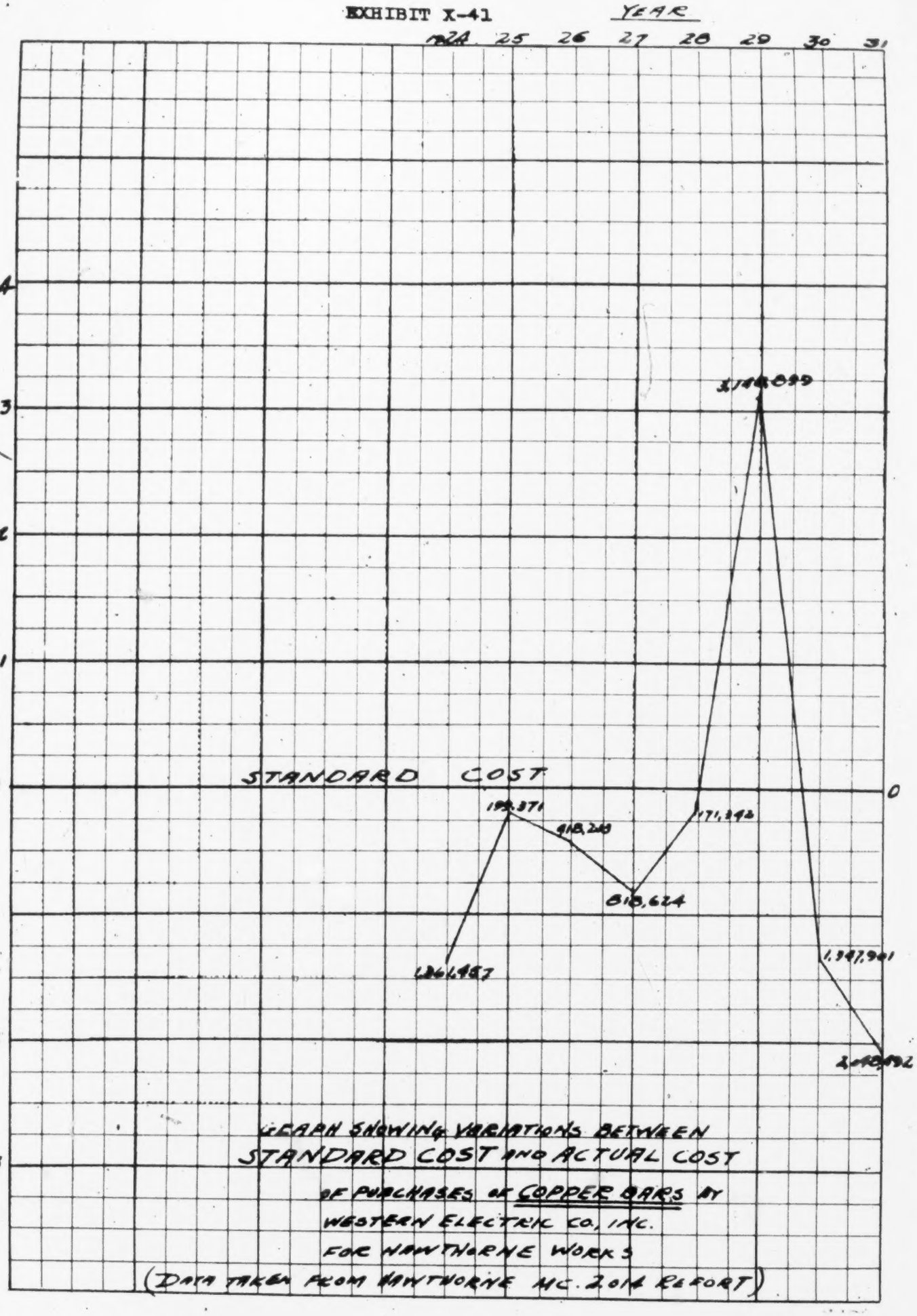


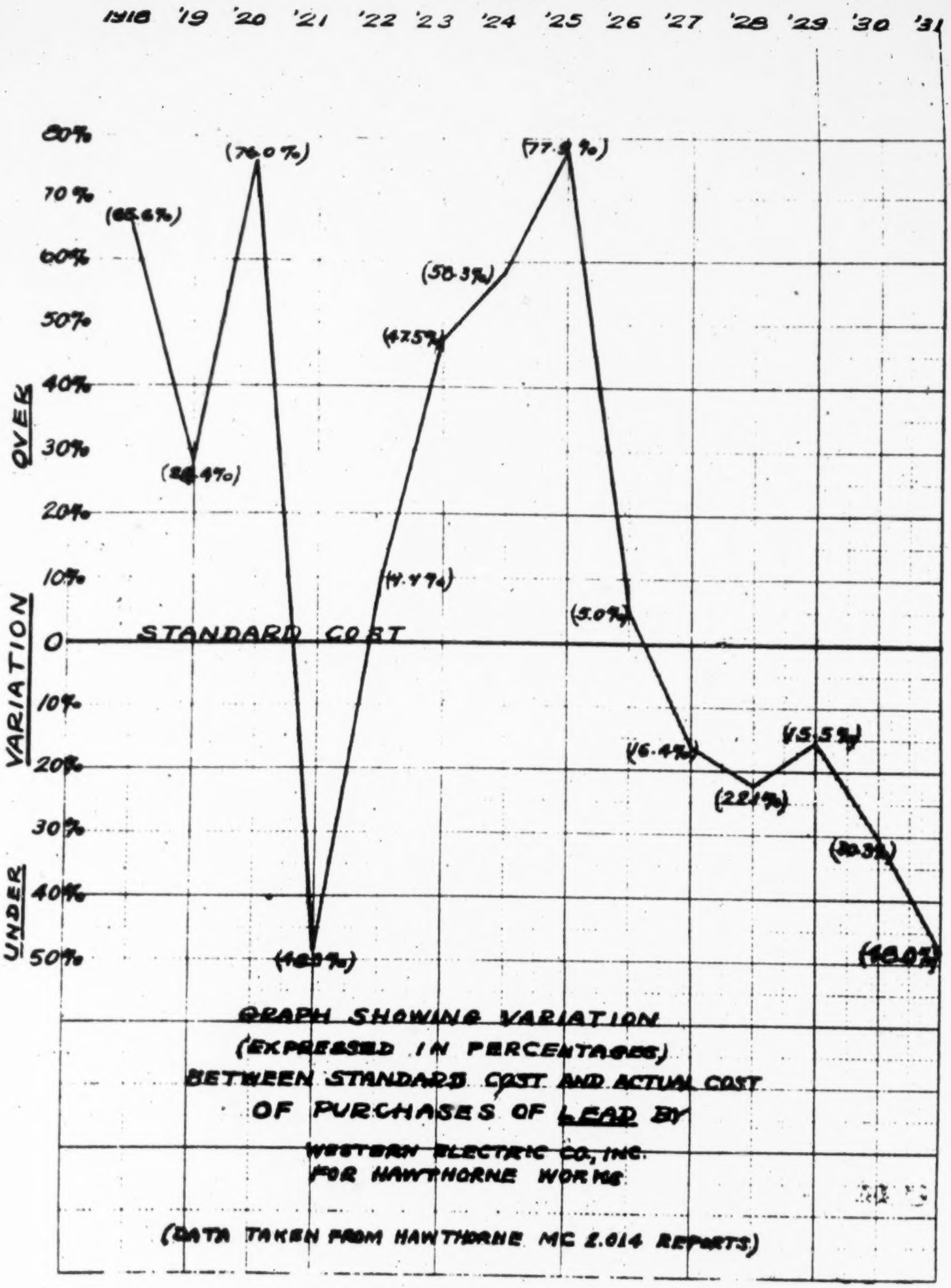
CHART SHOWING VARIATIONS BETWEEN STANDARD COST AND ACTUAL COST OF PURCHASES OF COPPER BARS BY WESTERN ELECTRIC CO., INC. FOR HAWTHORNE WORKS

(DATA TAKEN FROM HAWTHORNE MC. 204 REPORT)

14166

8468

EXHIBIT Y-42



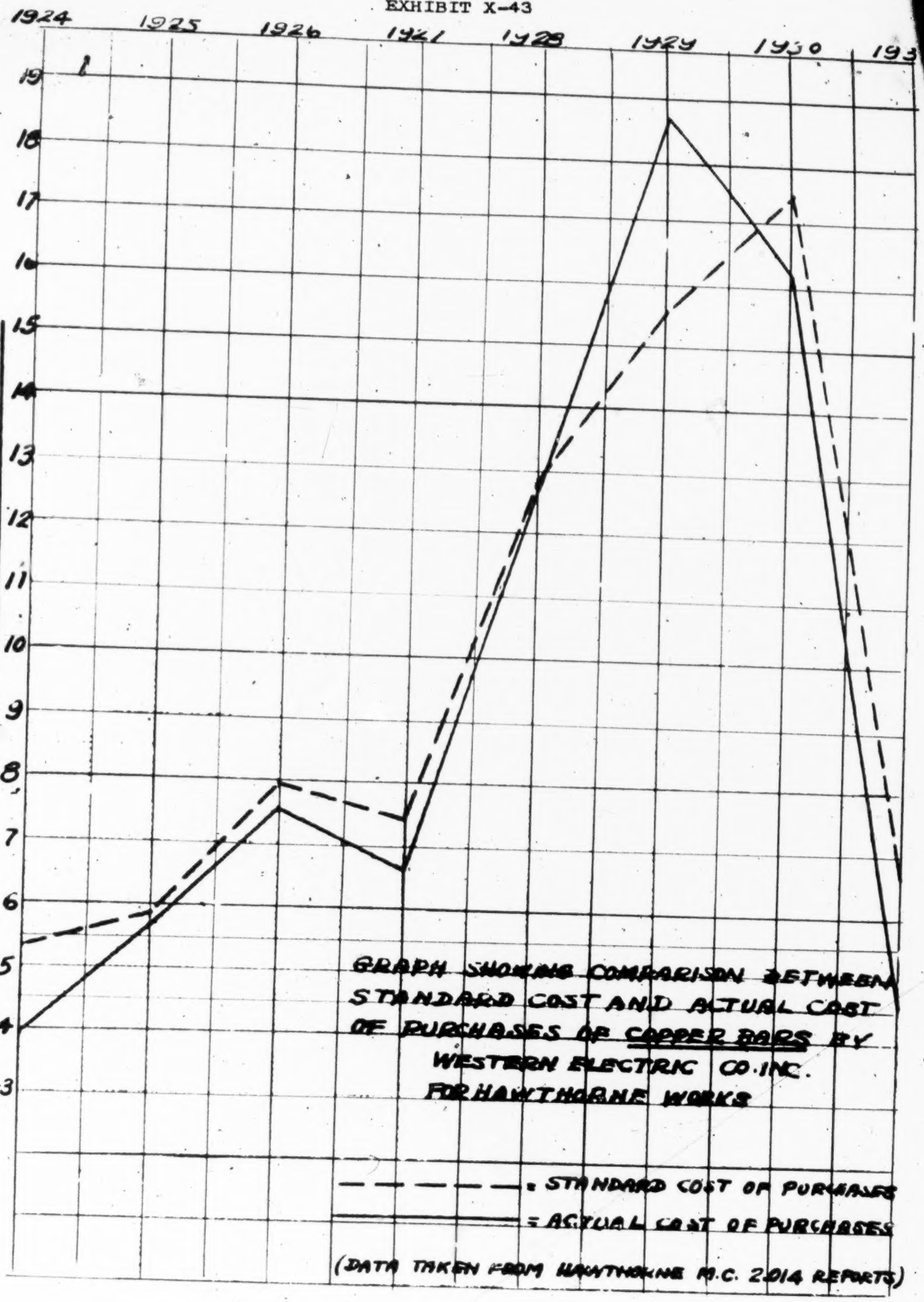
GRAPH SHOWING VARIATION
(EXPRESSED IN PERCENTAGES)
BETWEEN STANDARD COST AND ACTUAL COST
OF PURCHASES OF LEAD BY
WESTERN ELECTRIC CO., INC.
FOR HAWTHORNE WORKS

(DATA TAKEN FROM HAWTHORNE MC 2.014 REPORTS)

14167

6268

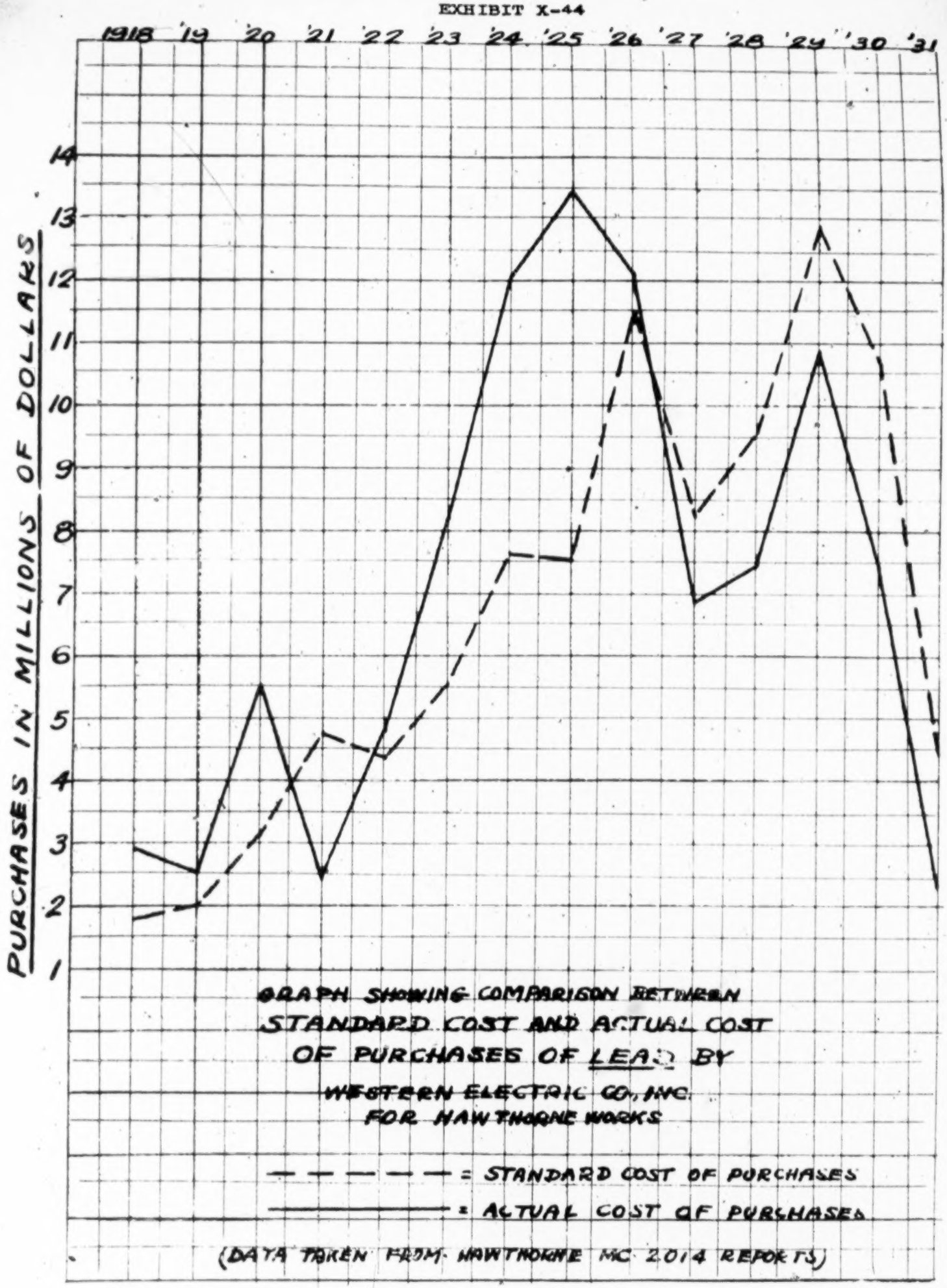
EXHIBIT X-43



14168

0868

EXHIBIT X-44



GRAPH SHOWING COMPARISON BETWEEN
STANDARD COST AND ACTUAL COST
OF PURCHASES OF LEAD BY
WESTERN ELECTRIC CO, INC.
FOR HAWTHORNE WORKS

— — — — — = STANDARD COST OF PURCHASES

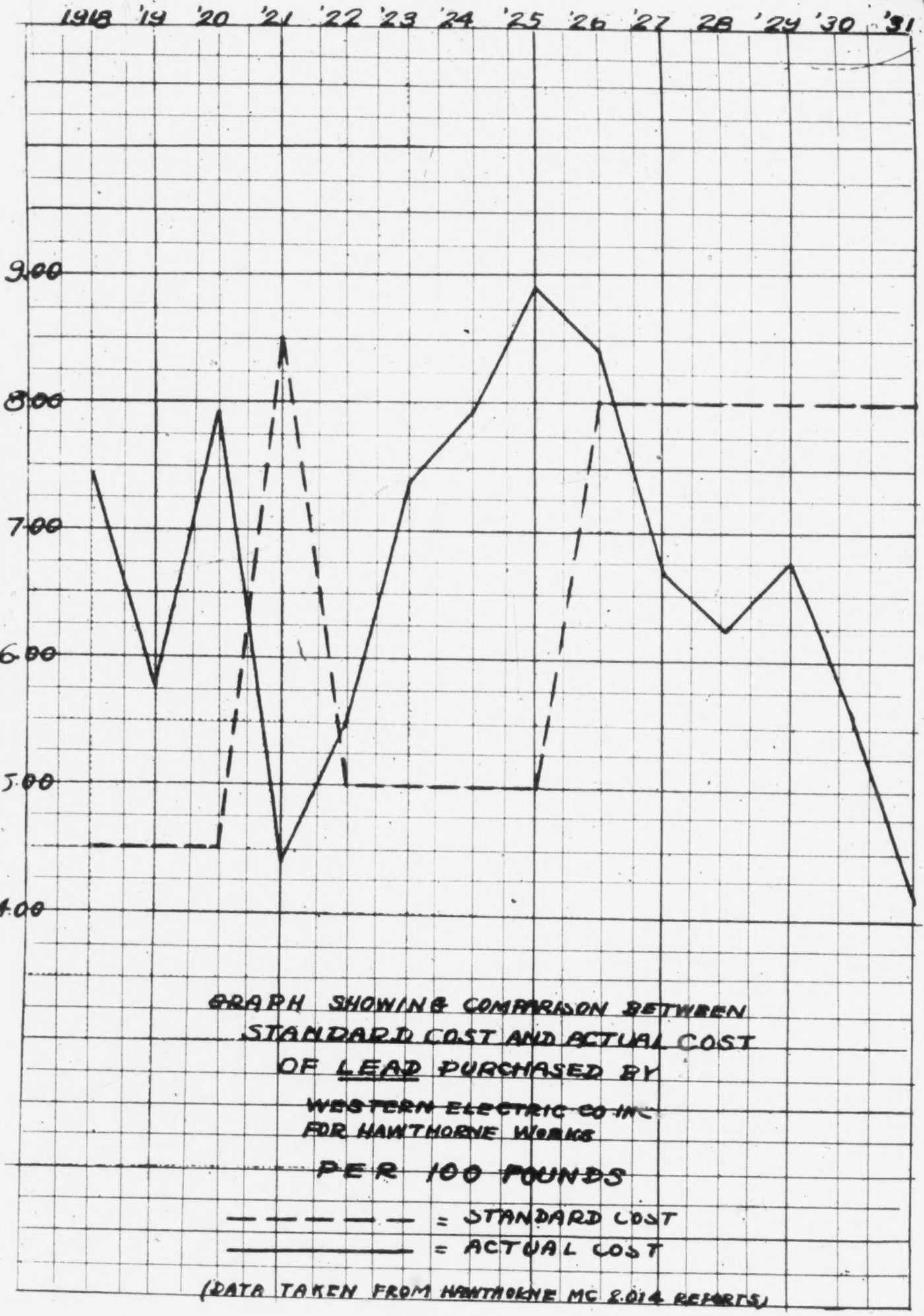
——————— = ACTUAL COST OF PURCHASES

(DATA TAKEN FROM HAWTHORNE MC 2014 REPORTS)

14169

1968

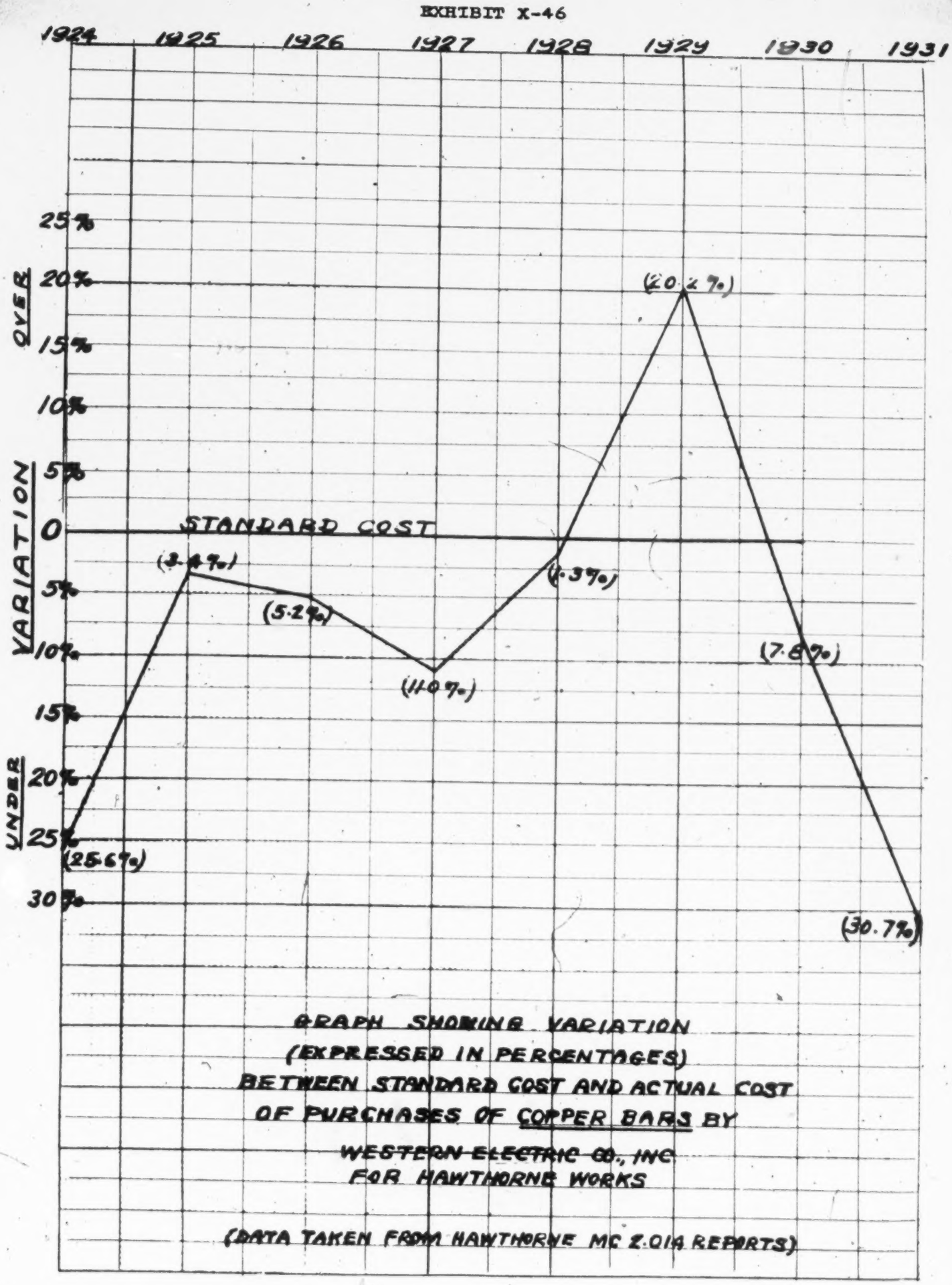
EXHIBIT X-45



14170

2868

EXHIBIT X-46



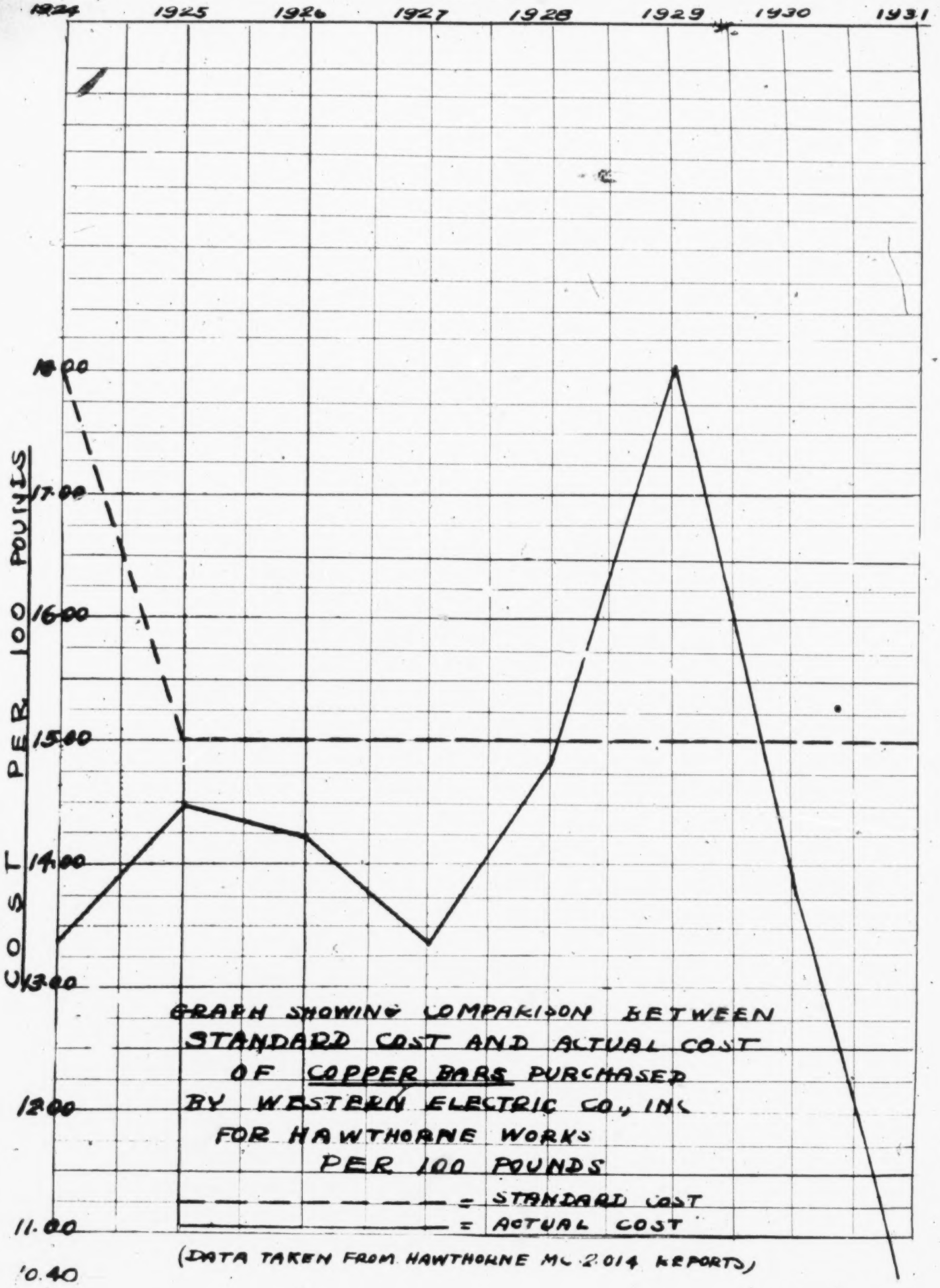
GRAPH SHOWING VARIATION
(EXPRESSED IN PERCENTAGES)
BETWEEN STANDARD COST AND ACTUAL COST
OF PURCHASES OF COPPER BARS BY
WESTERN ELECTRIC CO., INC.
FOR HAWTHORNE WORKS

(DATA TAKEN FROM HAWTHORNE MC 2.014 REPORTS)

14171

8988

EXHIBIT X-47



GRAPH SHOWING COMPARISON BETWEEN STANDARD COST AND ACTUAL COST OF COPPER BARS PURCHASED BY WESTERN ELECTRIC CO., INC. FOR HAWTHORNE WORKS PER 100 POUNDS

- - - - - - - - = STANDARD COST

———— = ACTUAL COST

(DATA TAKEN FROM HAWTHORNE MC 2.014 REPORTS)

14172

8984

[fol. 14173-14176]

EXHIBIT X-48

Western Electric Company, Inc.

Average Investment, Net Profits and Percentage of Return (per Exhibits A-77 and A-79)—Bell and non-Bell Business for the Years 1916 to 1930

(Dollars in Thousands)

Year	Average investment per Exhibits A-77 and A-79	Net profit per Exhibits A-77 and A-79	% Return on investment
1916	$59,095	3,870	6.5
1917	82,958	5,800	7.0
1918	93,790	6,034	6.4
1919	92,858	5,376	5.8
1920	125,471	7,290	5.8
1921	152,511	8,474	5.6
1922	140,343	8,034	5.7
1923	150,771	9,115	6.0
1924	178,920	13,245	7.4
1925	184,469	15,580	8.4
1926	172,622	14,247	8.3
1927	178,557	18,165	10.2
1928	176,580	19,876	11.3
1929	230,926	23,761	10.3
1930	289,354	12,934	4.5

[fol. 14177]

EXHIBIT X-49

Western Electric Company, Inc.

Average Investment per Exhibits A-77 and A-79 Adjusted to Exclude Excessive Cash, Current Liabilities, Reserve for Pension Fund, and Reserve for Depreciation—Bell and Non-Bell Business

(Dollars in Thousands)

Year	Average investment per Exhibits A-77 and A-79	Excess cash	Notes Payable		Reserve for Pension Fund	Working reserves (part interest and taxes, part Accounts payable)	Total adjustments	Average investment per Exhibits A-77 and A-79 adjusted		
			Others	Trustees of Pension Fund				Before depreciation	Reserve for depreciation	After depreciation
1916	$59,095	2,558	2,808	.....	1,000	.....	6,366	52,729	12,472	40,257
1917	82,958	2,299	9,423	.....	1,000	.....	12,722	70,236	13,924	56,312
1918	93,790	.....	11,686	.....	1,500	.....	13,186	80,604	15,665	64,939
1919	92,858	.....	9,694	.....	1,600	.....	11,294	81,564	17,239	64,325
1920	125,471	901	23,020	.....	1,600	.....	25,521	99,950	19,218	80,732
1921	152,511	3,343	38,289	.....	1,600	.....	43,232	109,279	21,781	87,498
1922	140,343	3,660	17,185	.....	1,600	.....	22,445	117,898	24,502	93,396
1923	150,771	.....	23,077	.....	2,000	.....	25,077	125,694	27,847	97,847
1924	178,920	1,644	18,553	.....	2,000	.....	22,197	156,723	32,740	123,983
1925	184,469	20,561	465	.....	4,775	.....	25,801	158,668	33,290	125,378
1926	172,622	.....	.....	.....	10,638	7,858	18,496	154,126	36,296	117,830
1927	178,557	.....	2,608	.....	15,364	11,110	29,082	149,475	40,112	109,363
1928	176,580	.....	18,646	Included in others	1,533	6,912	27,091	149,489	42,273	107,216
1929	230,926	.....	26,485	22,371	.....	9,847	58,703	172,223	44,868	127,355
1930	289,354	.....	25,412	27,823	.....	7,784	61,019	228,335	51,388	176,947

EXHIBIT X-49—Continued

Western Electric Company, Inc.

Average Investment per Exhibit A-77 Adjusted to Exclude Excessive Cash, Current Liabilities (Including Reserve for Pension Fund), and Reserve for Depreciation

(Dollars in Thousands)

Year	Average investment per Exhibit A-77	Adjustments			Average investment per Exhibit A-77 adjusted		
		Excess cash	Payables	Total adjustments	Before depreciation	Reserve for depreciation	After depreciation
1916	$46,112	1,778	2,635	4,413	41,699	9,915	31,784
1917	66,184	1,428	7,484	8,912	57,272	11,668	45,604
1918	70,685	.....	7,793	7,793	62,892	12,532	50,360
1919	69,939	.....	5,884	5,884	64,055	13,826	50,229
1920	98,914	653	14,378	15,031	83,883	16,451	67,432
1921	125,330	2,698	25,409	28,107	97,223	19,211	78,012
1922	123,089	3,100	12,905	16,005	107,084	22,150	84,934
1923	131,504	.....	17,454	17,454	114,050	25,007	89,043
1924	158,488	1,371	15,230	16,601	141,887	29,499	112,388
1925	163,085	18,340	3,841	22,181	140,904	29,661	111,243
1926	160,255	.....	16,924	16,924	143,331	32,812	110,519
1927	167,371	.....	28,006	28,006	139,365	36,903	102,462
1928	161,378	.....	25,438	25,438	135,940	37,412	98,528
1929	204,507	.....	53,302	53,302	151,205	38,766	112,439
1930	270,556	.....	56,992	56,992	213,564	47,637	165,927

[fol. 14179]

Exhibit X-49—Continued

Western Electric Company, Inc.

Average Investment per Exhibit A-79 Adjusted to Exclude Excessive Cash, Current Liabilities (Including Reserve for Pension Fund), and Reserve for Depreciation—Non-Bell Business

(Dollars in Thousands)

Year	Average investment per Exhibit A-79	Adjustments			Average investment per Exhibit A-79 adjusted		
		Excess cash	Payables	Total adjustments	Before depreciation	Reserve for depreciation	After depreciation
1916	$12,983	780	1,173	1,953	11,030	2,557	8,473
1917	16,774	871	2,939	3,810	12,964	2,256	10,708
1918	23,105	.....	5,393	5,393	17,712	3,133	14,579
1919	22,919	.....	5,410	5,410	17,509	3,413	14,096
1920	26,557	248	10,242	10,490	16,067	2,767	13,300
1921	27,181	645	14,480	15,125	12,056	2,570	9,486
1922	17,254	560	5,880	6,440	10,814	2,352	8,462
1923	19,267	.....	7,623	7,623	11,644	2,840	8,804
1924	20,432	273	5,323	5,596	14,836	3,241	11,595
1925	21,384	2,221	1,399	3,620	17,764	3,629	14,135
1926	12,367	.....	1,572	1,572	10,795	3,484	7,311
1927	11,186	.....	1,076	1,076	10,110	3,209	6,901
1928	15,202	.....	1,653	1,653	13,549	4,861	8,688
1929	26,419	.....	5,401	5,401	21,018	6,102	14,916
1930	18,798	.....	4,027	4,027	14,771	3,751	11,020

EXHIBIT X-49½

Income Account, Years Ended December 31

(Figures prior to 1926 include results of the Company's supply department, the business of which, since Jan. 1, 1926, has been carried on by the Graybar Electric Co., Inc.)

	1929	1928	1927	1926	1925	1924
Sales	$410,949,817	$287,931,396	$253,724,013	$263,105,194	$297,729,420	$298,281,138
Cost of sales	387,969,260	268,698,347	236,472,853	251,301,951	283,829,993	284,987,285
Net profits on sales	$22,980,557	$19,233,049	$17,251,160	$11,803,243	$13,899,427	$13,293,853
Other income	*8,575,217	*2,790,233	2,088,014	4,628,690	2,174,554	1,212,004
Net earnings available for interest and dividends	$31,555,774	$22,023,282	$19,339,174	$16,431,933	$16,073,981	$14,505,857
Interest deductions	4,560,528	2,315,393	1,982,757	1,857,895	1,790,679	**4,378,927
Net income available for dividends	$26,995,246	$19,707,889	$17,356,417	$14,574,038	$14,283,302	$10,126,930
Dividends paid:						
Preferred					1,233,980	1,727,572
Common	23,500,000	11,250,000	7,500,000	7,500,000	5,625,000	5,000,000
Balance carried to surplus	$3,495,246	$8,457,889	‡$9,856,417	$7,074,038	¶$7,424,322	$3,399,358
7% Preferred shares outstanding						246,796
Times Preferred dividend earned						5.86
Common shares outstanding	5,250,000	4,000,000	3,750,000	750,000	750,000	500,000
Earnings per Common share	‡$5.14	‡$4.93	‡$4.63	†$19.43	†$17.39	†$16.79

* Represents other income less expenses applicable. **Includes bond discount amounting to $2,274,900 incurred upon issuance of 5% Gold Debenture bonds. †Figured on average number of shares outstanding during respective years. ‡Figured on 3,750,000 shares outstanding at end of 1927, 4,000,000 shares at end of 1928, and 5,250,000 shares at end of 1929. ¶Before special dividend received from International Western Electric Company, Incorporated, from undistributed earnings at Sept. 30, 1925, $9,700,000; profit resulting from sale of International Western Electric Company, Incorporated, after deducting Federal Income taxes and setting aside a reserve for pension fund under agreement with International Standard Electric Corporation, $6,255,096; total—$15,955,096. Deduct: Premium paid on redemption of Preferred stock, $2,467,960. Balance from special earnings carried to surplus, $13,487,136. §Does not include $48,750,000 dividends received from Electrical Research Products Inc., which amount was distributed as a special dividend of $13 per share on Dec. 31, 1927, to stockholders of Western Electric Co., Inc.

EXHIBIT X-49½—Continued

General Balance Sheet, December 31

(Figures prior to 1926 include results of the Company's supply department, the business of which, since Jan. 1, 1926, has been carried on by the Graybar Electric Co., Inc.)

Assets—	1929	1928	1927	1926	1925	1924
Land, buildings and permanent fixtures at cost	$60,102,640	$42,606,473	$38,809,592	$35,173,957	$32,965,487	$30,387,700
Machinery, tools and other equipment at cost	74,461,492	51,819,779	47,928,965	43,034,163	40,278,066	41,409,532
Merchandise, materials and supplies at cost or market, whichever is lower	95,940,378	60,177,391	52,680,988	61,455,789	55,990,282	67,952,558
Cash	14,604,973	12,303,035	5,186,077	7,454,343	21,418,205	9,920,018
Bills receivable & trade acceptances	.....	.....	.....	.....	.....	86,940
Accounts receivable	65,179,732	48,796,568	38,734,274	40,665,639	37,613,759	45,735,932
Prepaid charges	252,183	160,844	149,704	122,318	172,092	213,090
Marketable securities	671,450	5,863,929	30,242,055	47,385,475	10,142,000	138,000
Investments, incl. stock in & advances to sub. cos.	62,178,802	30,002,873			17,624,506	2,280,546
International Western Electric Co., Inc.	.....	.....	.....	.....	.....	13,523,097
Total	$373,391,650	$251,730,892	$213,731,655	$235,291,684	$216,204,447	$212,421,413
Liabilities—						
Preferred stock	.....	.....	.....	.....	.....	†$24,679,600
Capital	*$150,000,000	*$100,000,000	*$75,000,000	$108,508,621	$101,434,583	80,523,125
Surplus	14,556,945	10,783,954	12,987,786			
Funded debt	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Notes sold to trustee of pension fund	26,128,933	.....	.....	.....	.....	.....
Notes payable	42,819,000	21,064,706	4,967,000	.....	.....	.....
Trade acceptances and bills receivable discounted	.....	.....	.....	.....	.....	595,533
Accounts payable	34,733,139	24,753,263	15,458,625	17,775,078	16,330,720	17,501,759
Interest, taxes and other accruals not due	5,344,170	3,181,785	4,249,968	5,199,522	5,148,841	4,771,420
Res. for accrued deprec. on plant and equipment	64,670,737	56,821,896	51,319,208	46,516,764	41,767,842	40,490,901
Employees' benefit funds	.....	‡	4,635,855	15,321,738	10,208,886	4,000,000
Reserve for contingencies	134,726	125,288	118,213	6,969,961	6,313,575	4,859,075
Total	$373,391,650	$251,730,892	$213,731,655	$235,291,684	$216,204,447	$212,421,413

* Represented by 3,000,000 shares in 1927, 2,000,000 shares in 1928 and 3,000,000 shares in 1929. †Retired at 110, Sept. 15, 1928.

EXHIBIT X-49¼—Continued

Statement of Working Capital, December 31

(Figures prior to 1926 include results of the Company's supply department, the business of which, since Jan. 1, 1926, has been carried on by the Graybar Electric Co., Inc.)

	1929	1928	1927	1926	1925	1924
Current Assets—						
Merchandise	$95,940,378	$60,177,391	$52,680,988	$61,455,789	$55,990,232	$67,952,558
Cash	14,604,973	12,303,035	5,186,077	7,454,343	21,418,305	9,920,018
Trade acceptance	.....	.....	.....	.....	.....	616,051
Bills and accounts receivable	65,431,915	48,796,568	38,734,274	40,665,639	37,613,759	45,980,821
Marketable securities	671,450	5,863,929	.....	.....	10,142,000	138,000
Total	$176,648,716	$127,140,923	$96,601,339	$109,575,771	$125,164,296	$124,607,448
Current Liabilities—						
Bills payable	$42,819,000	$21,064,706	$4,967,000	.....	.....	.....
Trade acceptances and bills receivable discounted	.....	.....	.....	.....	.....	$595,533
Accounts payable	34,733,139	24,753,263	15,458,625	$17,775,078	$16,330,720	17,501,759
Interest, taxes and other accruals not due	5,344,170	3,181,785	4,249,968	5,199,522	5,148,841	4,771,420
Total	$82,896,309	$48,999,754	$24,675,593	$22,974,600	$21,479,561	$22,868,712
Net Working Capital	$93,752,407	$78,141,169	$71,925,746	$86,601,171	$103,684,735	$101,738,736

Officers: Edgar S. Bloom, Pres.; William P. Sidley, V-P.; H. A. Halligan, V-P., General Staff; C. G. Stoll, V-P., Operating Dept.; W. T. Teague, V-P., Installation and Sales; J. W. Bancker, V-P., Purchasing & Traffic; W. F. Hosford, V-P., Mfg. Dept.; C. G. Pratt, V-P. & Gen. Counsel; C. L. Rice, V-P. & Works Mgr. (Hawthorne); S. S. Holmes, V-P. & Works Mgr. (Kearny); W. H. Meese, V-P. & Works Mgr. (Point Breeze); R. H. Gregory, Compt.; F. L. Gilman, Treas.; H. B. Gilmore, Sec.; P. L. Thomson, Director of Public Relations; D. F. G. Eliot, Personnel Director; J. D. Kennedy, Gen. Telephone Sales Mgr.; F. B. Gleason, Gen. Commercial Mgr.; T. K. Stevenson, Compt. of Manufacture.

Directors: Walter C. Allen, Edgar S. Bloom, James W. Bancker, Richard H. Gregory, Howard A. Halligan, Hale Holden, William F. Hosford, William B. Joyce, Charles S. McCain, Usal H. McCarter, William H. Miner, Thomas I. Parkinson, George C. Pratt, William P. Sidley, Clarence G. Stoll, Donald Symington, William T. Teague.

Principal Office, 195 Broadway, New York.

[fol. 14183]

EXHIBIT X-49A

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Earnings of the Western Electric Company on Non-Bell Business Expressed in Percentages of Sales and in Percentage of (a) Average Investment and (b) Average Investment Less Amount of Depreciation Reserve Account, 1916 to 1932, Inclusive

(Dollars in Thousands)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Sales	Earnings	Per Cent Earnings to Sales (b÷a)	Average Investment	Per Cent Earnings to Average Investment (b÷d)	Average Investment Less Amount of Deprec. Reserve Account	Per Cent Earnings to Average Investment Less Amount of Deprec. Reserve Account (b÷f)
1916	$33,072	$1,730	5.2	$12,983	13.3	$10,274	16.8
1917	45,658	3,275	7.2	16,774	19.5	14,270	23.0
1918	66,009	3,613	5.5	23,105	15.6	20,388	17.7
1919	55,361	2,689	4.9	22,919	11.7	18,930	14.2
1920	75,400	2,435	3.2	26,557	9.2	23,372	10.4
1921	46,880	(2,664)	(5.7)	27,181	(9.8)	24,176	(11.0)
1922	50,984	1,672	3.3	17,254	9.7	14,674	11.4
1923	67,018	2,923	4.4	19,267	15.2	15,898	18.4
1924	64,981	2,370	3.6	20,432	11.6	16,859	14.1
1925	71,029	(672)	(.9)	21,384	(3.1)	17,778	(3.8)
1926	15,902	1,696	10.7	12,367	13.7	6,734	25.2
1927	12,662	1,297	10.2	11,186	11.6	7,466	17.4
1928	20,123	2,592	12.9	15,202	17.0	8,950	29.0
1929	38,566	6,389	16.6	26,419	24.2	17,299	36.9
1930	22,648	1,249	5.5	18,798	6.6	13,120	9.5
1931	9,421	(151)	(1.6)	11,947	(1.3)	8,165	(1.8)
1932 (8 mos.) (X 4)	6,024	(500)	(8.3)	10,019	(5.0)	6,511	(7.7)
Total	$701,738	$29,943	4.3	$313,794	9.5	$244,854	12.2
Total, 1923 to 1931	322,350	17,693	5.5	157,002	11.3	112,259	15.8
Total, 1923 to 1932	328,374	17,193	5.2	167,021	10.3	118,770	14.5

EXHIBIT X-50

Western Electric Company, Inc.

Reconciliation of Net Profits per Exhibits A-77 and A-79 with Profits as Adjusted—Bell and Non-Bell Business

(Dollars in Thousands)

Year	Net profits per Exhibits A-77 and A-79	Adjustments to profit					Profits as adjusted before interest deductions	Deduct		Profit as adjusted**
		Pension fund accruals	Extraordinary depreciation	Excessive depreciation	Federal income taxes	Total adjustment		Interest on current obligations	Interest on excessive cash balances	
1916	$3,870	391*	.....	364	5	22*	3,848	90	64	3,694
1917	5,800	590*	.....	1,031	155	596	6,396	519	57	5,820
1918	6,034	657*	.....	591	115*	181*	5,853	750	....	5,103
1919	5,376	660*	.....	239	116	305*	5,071	473	....	4,598
1920	7,290	1,044*	.....	1,400	41	397	7,687	1,638	23	6,026
1921	8,474	1,351*	.....	1,136	183*	398*	8,076	2,780	84	5,212
1922	8,034	1,528*	.....	168*	5*	1,701*	6,333	877	91	5,365
1923	9,115	2,000*	.....	44*	224	1,820*	7,295	1,159	....	6,136
1924	13,245	209*	1,563	77	74*	1,357	14,602	791	41	13,770
1925	15,580	3,173	2,168	607*	35*	4,699	20,279	40	514	19,725
1926	14,247	3,100	2,102	147*	104	5,159	19,406	107	....	19,299
1927	18,165	2,871	1,803	555*	484*	3,635	21,800	232	....	21,568
1928	19,876	249	2,000	897	372	3,518	23,394	565	....	22,829
1929	23,761	78	.....	4,690	207	4,975	28,736	2,810	....	25,926
1930	12,934	.....	.....	1,622	217*	1,405	14,339	2,922	....	11,417

* Red figures.

** Exclusive of income from investments and before deduction of interest on funded debt.

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[fol. 14185]

EXHIBIT X-50—Continued

Western Electric Company, Inc.

Net Profits per Exhibit A-77 as Adjusted—Bell Business

(Dollars in Thousands)

Year	Net profits per Exhibit A-77	Adjustments to Net profit					Profits as adjusted before interest deductions	Deduct		Profit as adjusted**
		Pension fund accruals	Extraordinary depreciation	Excessive depreciation	Federal income tax	Total adjustment		Interest on current obligations	Interest on excessive cash balances	
1916	$2,140	279*	.....	260	3	16*	2,124	64	44	2,016
1917	2,525	427*	.....	746	67	386	2,911	376	35	2,500
1918	2,421	371*	.....	334	52*	89*	2,332	424	....	1,908
1919	2,687	401*	.....	145	59	197*	2,490	288	....	2,202
1920	4,855	679*	.....	910	27	258	5,113	1,065	17	4,031
1921	11,138	1,011*	.....	850	169*	330*	10,808	2,079	68	8,661
1922	6,362	1,186*	.....	130*	4*	1,320*	5,042	681	77	4,284
1923	6,192	1,506*	.....	33*	148	1,391*	4,801	873	....	3,928
1924	10,875	165*	1,553	61	65*	1,394	12,269	623	34	11,612
1925	16,252	1,663	1,966	463*	29*	3,137	19,389	30	458	18,901
1926	12,551	2,905	1,914	139*	101	4,781	17,332	101	....	17,231
1927	16,868	2,707	1,666	530*	445*	3,398	20,266	222	....	20,044
1928	17,284	236	1,831	844	324	3,235	20,519	532	....	19,987
1929	17,372	72	.....	4,334	131	4,537	21,909	2,596	....	19,313
1930	11,685	.....	.....	1,531	186*	1,345	13,030	2,758	....	10,272

* Red figures.

** Exclusive of income from investments and before deduction of interest on funded debt.

[fol. 14186]

EXHIBIT X-50—Continued

Western Electric Company, Inc.

Reconciliation of Net Profits per Exhibit A-79, Non-Bell Business, with Profits as Adjusted

(Dollars in Thousands)

Year	Net profits per Exhibit A-79	Adjustments to Net profit					Profits as adjusted before interest deductions	Deduct		Profit as adjusted**
		Pension fund accruals	Extraordinary depreciation	Excessive depreciation	Federal income tax	Total adjustment		Interest on current obligations	Interest on excessive cash balances	
1916	$1,730	112*	.....	104	2	6*	1,724	26	20	1,678
1917	3,275	163*	.....	285	88	210	3,485	143	22	3,320
1918	3,613	286*	.....	257	63*	92*	3,521	326	....	3,195
1919	2,689	259*	.....	94	57	108*	2,581	185	....	2,396
1920	2,435	365*	.....	490	14	139	2,574	573	6	1,995
1921	2,664*	340*	.....	286	14*	68*	2,732*	701	16	3,449*
1922	1,672	342*	.....	38*	1*	381*	1,291	196	14	1,081
1923	2,923	494*	.....	11*	76	429*	2,494	286	....	2,208
1924	2,370	44*	.....	16	9*	37*	2,333	168	7	2,158
1925	672*	1,510	202	144*	6*	1,562	890	10	56	824
1926	1,696	195	188	8*	3	378	2,074	6	....	2,068
1927	1,297	164	137	25*	39*	237	1,534	10	....	1,524
1928	2,592	13	169	53	48	283	2,875	33	....	2,842
1929	6,389	6	.....	356	76	438	6,827	214	....	6,613
1930	1,249	.....	.....	91	31*	60	1,309	164	....	1,145

* Red figures.

** Exclusive of income from investments and before deduction of interest on funded debt.

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[fol. 14187] EXHIBIT X-50A

Gross Additions for Plant Depreciation on Machinery

	1927	1926	1925	1924
Gross Additions (CA-5.01)	$2,743,071	$2,262,033	$3,091,681	$2,527,514(U)
Extraordinary Depreciation (CA-5.01)	851,624	527,773	1,212,538	673,742
Wire Mill (A-5.00)	74,102	71,908	65,741	61,868
Installation	177,731	140,526	218,061	456,390
Total Deduction (2 to 4)	$1,103,457	$740,207	$1,496,340	$1,192,000
Gross Additions computed at 7.5% of Cost Value (1-5)	1,639,614	1,521,826	1,595,341	1,335,514
As line 6 has been computed by applying 7.5% to cost value of machinery in use, to raise to 10%, increase line 6 by ⅓, or	546,538	507,275	531,780	445,171

U. Reduced by Engineering Department gross additions to depreciation reserve.

H. B. Gilmore, Secretary:

Intensive manufacturing development and cost reduction effort during the past five years has resulted in a marked increase in substitution of machines for manual operations and in the replacement of standard machinery by special machinery designed for a particular operation or product, thereby materially increasing the factor of obsolescence to be covered by depreciation.

For this reason depreciation charged against cost of 1928 was increased by 2.5% of the face value, making the rate 10% instead of 7.5%. A similar increase in the depreciation charged against cost for the years 1924 to 1927 computed at 2.5% of the average value of machinery in use during these years amounts to $2,030,764.

Please present these facts at the next meeting of the Board of Directors with the recommendation that in addition to the depreciation charged to costs at regular rates $2,000,000, be set aside to the Reserve for Depreciation of Plant.

(Sd.) R. H. Gregory, Comptroller.

[fol. 14188] (Copy)

Western Electric Company, Incorporated

Certified Copy of Action of the Board of Directors

New York, February 13, 1929.

Mr. S. W. Murkland, Assistant Comptroller:

I hereby certify that the following is a true extract from the minutes of a meeting of the Board of Directors of West

ern Electric Company, Incorporated, held on the 13th day of February, 1929:

"On motion, duly seconded, the following resolution was adopted:

Whereas, there has been a material increase in the past five years in the factor of obsolescence of the machinery of the Manufacturing Department through the improvement made in methods and equipment, and

Whereas, the depreciation charge against cost during those years was not sufficient to cover this increased obsolescence,

Now, therefore, be it resolved, that the officers be and they are hereby authorized to set aside as depreciation reserve on plant $2,000,000, in addition to the depreciation charged at regular rates."

H. B. Gilmore, Secretary.

Copy to Mr. H. H. Gregory.

[fol. 14189] EXHIBIT X-55

Western Electric Company, Inc.

Average Investment per Exhibits A-77 and A-79 Adjusted (After Depreciation), Profits as Adjusted, and Percentage of Return

(Dollars in Thousands)

Year	Average investment per Exhibits A-77 and A-79 adjusted (after depreciation)	Profits as adjusted**	% Return on investment
1916	$40,257	3,694	9.2
1917	56,312	5,820	10.3
1918	64,939	5,103	7.9
1919	64,325	4,598	7.1
1920	80,782	6,026	7.5
1921	87,498	5,212	6.0
1922	93,396	5,365	5.7
1923	97,847	6,136	6.3
1924	123,983	13,770	11.1
1925	125,378	19,725	15.7
1926	117,830	19,299	16.4
1927	109,363	21,568	19.7
1928	107,216	22,829	21.3
1929	127,355	25,926	20.4
1930	176,947	11,417	6.5

**Exclusive of income from investments and before deductions of interest on funded debt.

[fol. 14190]

EXHIBIT X-55—Continued

Western Electric Company, Inc.

Average Investment per Exhibit A-77 Adjusted (After Depreciation), Adjusted Profits, and Percentage of Return—Bell Business

(Dollars in Thousands)

Year	Adjusted average investment (after depreciation)	Adjusted profits**	% Return on investment
1916	$31,784	$2,016	6.3
1917	45,604	2,500	5.5
1918	50,360	1,908	3.8
1919	50,229	2,202	4.4
1920	67,432	4,031	6.0
1921	78,012	8,661	11.1
1922	84,994	4,284	5.0
1923	89,043	3,928	4.4
1924	112,388	11,612	10.3
1925	111,243	18,901	17.0
1926	110,519	17,231	15.6
1927	102,462	20,044	19.6
1928	98,528	19,987	20.3
1929	112,439	19,313	17.2
1930	165,927	10,272	6.2

** Exclusive of income from investments and before deduction of interest on funded debt.

Western Electric Company, Inc.

Average Investment Adjusted (after depreciation), Adjusted Profits and Percentage of Return, Non-Bell Business (Exhibit A-79 as Adjusted)

(Dollars in Thousands)

Year	Adjusted average investment (after depreciation)	Adjusted profits**	% Return on investment
1916	$8,473	1,678	19.8
1917	10,708	3,320	31.0
1918	14,579	3,195	21.9
1919	14,096	2,396	17.0
1920	13,300	1,995	15.0
1921	9,486	3,449*	36.4*
1922	8,462	1,081	12.8
1923	8,804	2,208	25.1
1924	11,595	2,158	18.6
1925	14,135	824	5.8
1926	7,311	2,068	28.3
1927	6,901	1,524	22.1
1928	8,688	2,842	32.7
1929	14,916	6,613	44.3
1930	11,020	1,145	10.4

* Red figures.

** Exclusive of income from investments and before deduction of interest on funded debt.

[Col. 14191]

EXHIBIT X-67

Western Electric Company, Inc.

Return on Investment in International Western Electric Company, Years 1918 to 1925

Dividends received		$3,912,500
Profit on the sale of the stock of International Western Electric Company:		
Profit per stockholders' report, December 31, 1925	$15,955,095	
Adjustment of reserve for pension fund set up out of profit at December 31, 1925:		
Year 1927	330,154	
Year 1929	277,745	16,562,994
Total profit, June 1, 1918 to September 30, 1925		$20,475,494
Average profit per year		$2,792,112
Average yearly investment		$7,500,000
Average yearly return on investment		37.2%

EXHIBIT X-69

Western Electric Company, Inc.

Investment in International Western Electric Company, Inc., Years 1918-1925

Year	Western Electric Average Investment	Net Earnings	% Return on Net Earnings	Dividends paid to Western Electric Company, Inc.	Excess of net Earnings over Dividends Paid
1918	$7,499,880	495,607(1)	6.6(1)	.....	495,607
1919	7,499,880	637,832	8.5	.....	637,832
1920	7,499,880	516,166	6.9	$385,000	131,166
1921	7,500,000	1,113,407	14.9	998,800	114,607
1922	7,500,000	1,429,997	19.1	1,085,000	344,997
1923	7,500,000	1,129,329	15.1	525,000	604,329
1924	7,500,000	3,458,018(3)	46.1	525,000	2,933,018
1925	7,500,000	1,110,900(2)	14.8(2)	393,700**	717,200**
		$9,891,256	18.6	$3,912,500	5,978,756

(1) Seven months June 1 to December 31, 1918 (Formed June 1, 1918).
(2) "Approximated" net earnings for six months ended June 30, 1925.
(3) Dividend income for 1924 equalled $4,191,493 and in 1923 equalled $1,763,841.
** Exclusive of special dividend of $9,700,000 paid September 30, 1925.

[fol. 14192]

EXHIBIT X-70

Western Electric Company, Inc.

Investment in International Western Electric Company, Inc., Giving Effect to Accumulated Earnings, Years 1918 to 1925

(Dollars in Thousands)

Year	Average investment	Net earnings	% Return on average investment
1918	$7,747,683	$495,607(1)	6.4(1)
1919	8,314,403	637,832	7.7
1920	8,698,902	516,166(4)	5.9
1921	8,821,908	1,113,407	12.6
1922	9,051,710	1,429,997	15.8
1923	9,506,373	1,129,329	11.9
1924	11,295,047	3,458,018(3)	30.6
1925	13,120,156	1,110,900(2)	8.5(2)
		$9,891,256	13.2

(1) Seven months, June 1 to December 31, 1918. (Formed June 1, 1918).
(2) "Approximated" net earnings for six months ended June 30, 1925.
(3) Dividend income for 1924 equalled $4,191,493 and in 1923 equalled $1,763,841.
(4) Does not include adjustment deduction made in 1920 for "accrued interest on Berlin notes not collected" in amount of $205,201 covering years prior to 1920.

EXHIBIT X-71

Western Electric Company, Inc.

Supply Department, Years 1916-1925

Year	Average investment per Western Electric Company Inc.	Net profits before interest deductions(1)	% Return before interest deductions
1916	$7,650,000	1,510,000**	19.7
1917	10,725,000	2,770,000**	25.8
1918	18,335,000	3,448,000**	18.8
1919	14,978,000	2,513,000**	16.8
1920	19,032,000	2,598,000**	13.7
1921	14,288,000	3,365,141*	23.5*
1922	8,308,000	697,010	8.4
1923	8,947,000	1,545,508	17.3
1924	7,884,000	1,972,846	25.0
1925	7,663,000	2,354,883	30.7

* Red Figures.

** Does not include "Sundry Income". Division of such income not made in 1920 and prior years.

(1) "Net profits before Interest Deductions" does not include any proportionate share of deductions on account of "Reserve for pension fund and contingencies."

NOTE.—Figures compiled and taken from Statements of Western Electric Company, Inc. years 1916 to 1920—"Division of Profits by Classes of Business" Years 1921 to 1924—"Profits for the Fiscal Year" (C. A.—204.00). Profits for 1925 obtained from "Summary of Profits for the Fiscal Year" A—4.00 and average investment from "investment binder". Combined all Departments average balance sheet detail (page 4).

[fol. 14198]

EXHIBIT X-72

Western Electric Company, Inc.

Return on Investment in Graybar Electric Company, Inc., Years 1926-1928, Inclusive

Year	Average investment	Net earnings	% Return on net earnings
1926	$6,700,000	1,283,000	19.14
1927	6,700,000	1,740,000	25.97
1928	6,700,000	2,511,000	37.48
	$20,100,000	5,534,000	27.53

Year	Average investment giving effect to surplus earnings of Graybar Electric Company, Inc.	Profit for year	% Return of net earnings
1926	$7,341,500	1,283,000	17.48
1927	7,953,000	1,740,000	21.88
1928	8,173,500	2,511,000	30.72
	$23,468,000	5,534,000	23.58

EXHIBIT X-73

Graybar Electric Company, Inc.

Comparative Statement of Sales and Profits on Western Electric Manufactures and on Other Products

(Dollars in Thousands)

	Year ended Dec. 31 1926		Year ended Dec. 31 1927		Year ended Dec. 31 1928	
	Western Electric Manufactures	Other	Western Electric Manufactures	Other	Western Electric Manufactures	Other
Sales	$12,172	64,416	9,020	59,692	9,789	62,913
Gross profits	$2,748	9,049	2,345	8,553	2,428	9,087
Expenses	1,544	9,028	1,352	7,913	1,331	7,784
Net profits	$1,204	21	993	640	1,097	1,303
% of net profits to sales	9.9%	.03%	11.0%	1.1%	11.2%	2.1%

[fol. 14194] EXTRACTS FROM EXHIBIT X-74A

Electrical Research Products, Inc., and Graybar Management Corporation and Graybar Electric Company, Inc.

Agreement Covering Changes in Capital Structure and Sale of Common Stock of Graybar Electric Company, Inc.

Dated November 5, 1928

* * * * * * *

Section 1. Reduction and Classification of Graybar Stock.

Products agrees, on or before December 31, 1928, to take all action necessary, as the holder of all of the outstanding capital stock of Graybar, to effect the reduction of the capital stock of Graybar (without the withdrawal of any assets from Graybar) from Fifteen million dollars ($15,000,000), consisting of One hundred and fifty thousand (150,000) shares of the par value of One Hundred Dollars ($100) each, to Nine million dollars ($9,000,000) consisting of Ninety thousand (90,000) shares of the par value of One hundred dollars ($100) each, and to classify said Ninety thousand (90,000) shares so that there shall be Sixty thousand (60,000) shares of preferred stock and Thirty thousand (30,000) shares of common stock, the designations, preferences, privileges and voting powers or restrictions or qualifications of the shares of each class of stock, including a statement in regard to the cumulative and non-cumulative dividends payable on the preferred stock, to be substantially as set forth in Exhibit A attached hereto and made a part hereof.

Section 2. Sale of Graybar Stock.

Products agrees to sell to Management, and Management agrees to purchase from Products, on December 31, 1928, the Thirty thousand (30,000) shares of the common stock of Graybar mentioned in Section 1 hereof for the total price of Three million dollars ($3,000,000), and on said date Products agrees to deliver to Management certificates representing such stock endorsed for transfer to Management with the required transfer stamps affixed, and Management agrees to make payment to Products of the pur-
[fol. 14195] chase price aforesaid in New York exchange. Such delivery and payment shall take place at Products' office at No. 195 Broadway, New York City.

* * * * * * *

EXHIBIT A

The designations, preferences, privileges and voting powers or restrictions or qualifications of shares of each class shall be as follows:

A. The preferred stock shall be designated as preferred stock.

(1) Holders of the preferred stock shall be entitled to receive out of funds available for dividends, when and as declared by the board of directors, dividends thereon at the rate of seven dollars ($7.00) per share per annum, payable quarterly on the last business day of March, June, September and December in each year, such dividends to accrue from the dividend date next preceding the date of issue or from the date of issue if the date of issue coincides with a dividend date. The first such dividend shall be payable March 30, 1929, for the quarter-year ending on March 31, 1929. Such dividends shall be cumulative and if the corporation shall fail to pay such dividends quarterly on all of the outstanding preferred stock all such accumulated dividends shall be paid, but without interest, before any amount shall be set apart for or credited to the sinking fund hereinafter provided for and before any dividends shall be set apart, declared or paid on the common stock. The holders of the preferred stock shall also be entitled to receive additional non-cumulative dividends based on the net earnings, as hereinafter defined, for each year. Such additional dividends shall be an amount equal to one per cent (1%) of such net earnings, as hereinafter defined, for each one thousand (1,000) shares of the average amount of preferred stock outstanding during the year, less an amount equal to certain United States taxes hereinafter provided for. Such additional dividends shall be payable quarterly on the last business day of March, June, September and December, and each such dividend shall be based on estimated net earnings for the current quarter year and [fol. 14196] the percentage to be applied to such net earnings for each quarter year shall be determined by the amount of preferred stock outstanding on the first day of such quarter year. The first of such additional dividends shall be payable on March 30, 1929 for the quarter year ending March 31, 1929. Such additional dividends for each of the first three quarters of each year shall be based

on estimates of said net earnings for each of said quarters made according to the corporation's established accounting practices, except that for the third month of any quarter such net earnings shall be estimated from the information then available. If it appears after the close of a quarter year that the estimate of net earnings on which the additional dividend for such quarter year was based was not correct an adjustment shall be made to accord with the corrected estimate in declaring the additional dividend for the succeeding quarter year; provided that the amount of the additional dividend for the fourth quarter of each year shall be determined by the application of a percentage (representing the average of the percentages determined as above provided for each of the four quarters of said year) to the net earnings as estimated for the entire year, less additional dividends paid for the first three quarters of said year. After the net earnings for the year have been definitely determined a final determination of the amount of the additional dividends for the entire year shall be made and the difference between such dividends as finally determined and those actually paid shall be added to or subtracted from, as the case may be, the amount of the next succeeding additional dividends to be declared. Except as in this certificate expressly provided, preferred stock shall not be entitled to participate in any other earnings or profits of the corporation.

The term "net earnings" as used in this subdivision (1) of subparagraph A shall be deemed to mean net earnings as determined under the corporation's established accounting methods and after the deduction of the following items:

a. All taxes except United States income taxes;

b. Payments into the Pension Fund of the corporation covering the current accrued liability pursuant to the provisions of the corporation's Plan for Employees' Pension, [fol. 14197] Disability Benefits and Death Benefits but excluding payments to make up deficiencies in said Pension Fund;

c. Cumulative dividends upon the preferred stock:

d. The sum of $450,000 for each year.

To the net earnings for each year determined as aforesaid shall be applied the percentage determined as afore-

said, and from the result there shall be deducted an amount obtained by applying to the sum of the aforesaid result plus the amount of cumulative dividends on the preferred stock for such year, the rate of United States income tax for corporations applicable to such year. The remainder shall represent the amount payable as additional dividends on the preferred stock. If in any year the amount payable as additional dividends in less than the amount of the deduction last above-mentioned the amount by which it is less shall be carried over and deducted from the first additional dividends sufficient to absorb such amount.

(2) Upon any dissolution or liquidation of the corporation or sale of all of its assets, whether voluntary or involuntary, there shall be paid to the holders of preferred stock $100 per share and an amount equal to any accumulated or accrued dividends thereon to the date of payment plus an amount equal to any additional dividends earned and payable on said date of payment, but no more, before any sums shall be paid to or any assets distributed among the holders of the common stock and after such payments to the holders of the preferred stock all remaining assets and funds shall be paid to or distributed among the holders of the common stock.

(3) The preferred stock may be called for redemption, in whole or in part, but only in lots of one thousand (1,000) shares or multiples thereof, on the last business day of March, June, September or December in any year, at the option of the board of directors by mailing notice thereof to the holders of record of the shares to be redeemed at least three (3) days prior to the date fixed for redemption and such shares may be redeemed by paying for each share so redeemed the sum of $100 per share plus a sum equal to any accumulated or accrued dividends thereon to the date fixed for such redemption plus any additional dividends [fol. 14198] earned and payable on said date of redemption, provided that in no event shall the aggregate of such redemptions during each of the years ending respectively December 31, 1929, and December 31, 1930 exceed in each year the par amount of $1,500,000 of such stock. If any such redemption is made of a part of the preferred stock, the preferred stock so called for redemption shall be redeemed by redeeming such proportion of the preferred stock held by

each preferred stockholder as the total amount of said preferred stock then called for redemption shall bear to the total amount of preferred stock then outstanding. Subject to the above restrictions for the period ending December 31, 1930, the corporation may also at any time out of funds available for such purpose, provided such funds could be used under the provisions of the certificate of incorporation of this corporation as amended to pay dividends upon its common stock, purchase shares of its preferred stock in the open market or at private sale at not in excess of $100 per share and an amount equal to any accumulated or accrued and unpaid dividends thereon to the date of such purchase.

(4) The corporation shall in each year as long as any preferred stock shall be outstanding set apart from its earnings and/or surplus and credit to a sinking fund for the retirement of the preferred stock an amount sufficient to retire at $100 a share and accumulated or accrued dividends the par amount of the preferred stock to be retired in such year according to the following schedule:

In the year 1929	$500,000
In the year 1930	500,000
In the year 1931	500,000
In the year 1932	600,000
In the year 1933	600,000
In the year 1934	600,000
In the year 1935	600,000
In the year 1936	700,000
In the year 1937	700,000
In the year 1938	700,000

Said sinking fund obligations of the corporation shall be cumulative so that if the corporation shall fail to set apart for and credit to the sinking fund any and all amounts required as hereinabove provided to be so set apart and [fol. 14199] credited, the amount of the deficiency shall be set apart and credited to the sinking fund before any dividend or dividends, shall be declared or paid or set apart for the common stock. The corporation may at any time exceed the requirements of its sinking fund obligation hereunder and in such event shall be entitled to credit for the excess of the sinking fund payment or payments for the succeeding year or years. Subject to the above restrictions for the period ending December 31, 1930, all moneys paid

into the sinking fund shall be applied by the board of directors, on or before December 31st in the year in which set apart to the purchase or redemption of preferred stock.

The term "accrued dividends" or "accumulated dividends" when used in this certificate of incorporation as amended refers to cumulative dividends on the preferred stock and shall be deemed to mean an amount which shall be equal to Seven Dollars ($7.00) per share per annum from the date when such dividends commence to accrue upon the particular shares of stock in question to the date in question, less the aggregate amount of all cumulative dividends paid upon such shares of preferred stock.

This exhibit consists of the total contract between the Electrical Research Products and Graybar Management Corporation and Graybar Electric Company dated November 5, 1928. In addition to the portion of this contract set forth in full above, it contains in substance provisions as follows:

Section 3. Management shall continue to hold Graybar stock so long as option to Products to repurchase stock under Section 5 remains in force.

Section 4. Provision that Management at its option may require Products to repurchase stock at price sufficient to enable Management to repay borrowed money under Section 6 and repay employees amounts advanced by them.

Section 5. Option given to Products to repurchase Graybar stock at same price fixed in Section 4.

Section 6. Particular covenants by Management as follows:

(a). Not to increase its capital stock.

[fol. 14200] (b) To take all proper action requested so far as possible to keep Management stock owned by employees of Graybar.

(c) Not to borrow money to purchase stock except as provided in Section 2.

(d) Not to encumber stock owned by Graybar.

(e) To engage in no business except holding stock of Graybar.

(f) To pay no dividends in excess of 6%.

(g) Not to alter its present Stock Purchase Plan.

(h) To vote its stock for such Directors as Products may designate.

(i) To furnish Products with copies of the minutes of all meetings of its stockholders, Directors, Executive Committee after each such meeting is held.

(j) To keep accurate records of its accounts and to permit examination of its products.

(k) Upon request of Products, to redeem the preferred stock of Graybar not redeemed under paragraph (s) of Section 7.

(l) Use amounts obtained on account of subscriptions of its stock to redeem common stock of Graybar referred to in Section 2.

(m) Not to consent to action by Graybar which would violate Section 7.

Section 7. Covenants by Graybar—

(a) Not to increase stock in excess of authorization at December 31, 1928.

(b) To pay no dividends in excess of 7%.

(c) To enter no contracts terminating after more than three years.

(d) Not to terminate contracts or leases in effect which exceed three years of the entire term.

(e) Not to increase salaries of officers to exceed $6,000 a year.

[fol. 14201] (f) Not to amend compensation plan for employees involving increases in compensation.

(g) (h) Not to change accounting systems, nor make any changes in its Pension, Benefits, or Death Benefit Plan.

(i) Not to purchase all or substantial part of the assets of any person or any firm or corporation except to protect an account owed to it.

(j) Not to purchase bonds, stocks, notes, securities, of other corporations or individuals except to protect a

counts owed to it, and except as authorized by its Board on February 15 and June 14, 1927, relating to the purchase of Government and Public Utility Securities.

(k) Not to engage in any other line of business or to change the existing methods of business.

(l) Not to encumber its property.

(m) Not to authorize securities except for borrowing money from Products or from the Western Electric Company, or for the purpose of selling such securities to the Trustee under its Pension.

(n) Continue suitable arrangements to have securities held by the Trustee of the Pension Fund prior to all other securities.

(o) To carry insurance on its property.

(p) Keep full and accurate records, and give Products access thereto.

(q) Furnish Products minutes of all meetings of its stockholders, Directors, and Executive Committee.

(r) To pay dividends on its preferred stock in accordance with its certificate of incorporation.

(s) To redeem and retire its preferred stock in the manner authorized by its certificate of incorporation as follows: $500,000 a year from 1929 to 1931, inclusive; $600,000 a year from 1932 to 1935, inclusive; $700,000 a year to 1938 inclusive.

(t) Not to redeem on or before December 31, 1930 preferred stock in excess of the amount of undistributed net earnings except as provided in paragraph (s).

[fols. 14202-14219] (u) Not to reissue any redeemed or surrender any preferred stock.

Section 8. Provision permitting waivers by Products of any obligation of Management.

Section 9. Reference to "Stock" includes stock voting trust certificates and "Stockholders of Management" includes holders of voting trust certificates.

Exhibit X-75

Graybar Electric Company, Inc.

Additional Dividends on Preferred Stock Received by Subsidiaries of Western Electric Company, Inc., for the Years 1929 Through 1931

1929	$1,105,000
1930	318,895
1931	(11,367) (x)
	$1,412,528

(x) Represents adjustments to 1929 and 1930 additional dividends.

[fol. 14220]

Exhibit X-79

Western Electric Company, Inc.

Profits from Operations of Electrical Research Products, Inc., and Percentage of Return on Western Electric Company, Inc., Investment

(Dollars in Thousands)

	1927	1928	1929	1930
Net profits of Electrical Research Products, Inc., as shown by reports	$5,504	6,864	6,599	4,811
Deduct:				
Dividends received from:				
Graybar Electric Company, Inc.	$1,800	2,010	1,501	333
Northern Electric Company, Ltd.	314	261	259	193
Interest from investments	1,246	100	8	68
Revaluation of German War claim	.....	1,717	.....	67
Revaluation of Northern Electric Co. Ltd., stock	.....	.....	.....	843
	$3,360	4,088	1,768	1,704
	$2,144	2,776	4,831	2,745

[fol. 14221] Exhibit X-79—Continued

	1927	1928	1929	1930
Add undistributed earnings of foreign subsidiaries	.....	35*	2,130	58*
Profits from operations	$2,144	2,741	6,961	2,687
Average investment of Western Electric Company, Inc., excluding investments and marketable securities of Electrical Research Products, Inc.	$2,299	2,250	2,250	2,250
% return	93.3	121.8	309.4	119.4
Average investment of Western Electric Company, Inc., excluding investments and marketable securities of Electrical Research Products, Inc. (giving effect to surplus earnings of Electrical Research Products, Inc.)	$3,371	5,375	10,226	14,718
% return	63.6	51.0	68.1	18.2

EXHIBIT X-80

Electrical Research Products, Inc.

Copy of Journal Entry No. 150, Dated June 30, 1927

	Debit	Credit
Deferred receivables	$3,500,000.00	
Accrued discount		$402,000.00
Reserve on deferred receivables		1,000,000.00
Income from sundry investments		2,098,000.00

Series of nine installments to be received from International Telephone Sales and Engineering Corporation as follows:

Date due	Amount	Discount at 6% as of 6-30-27	Net amount
1-1-28	$500,000.00	15,000.00	485,000.00
1-1-29	500,000.00	45,000.00	455,000.00
1-1-30	500,000.00	75,000.00	425,000.00
1-1-31	350,000.00	73,500.00	276,500.00
1-1-32	350,000.00	94,500.00	255,500.00
1-1-33 Part	300,000.00	99,000.00	201,000.00
	$2,500,000.00	402,000.00	2,098,000.00
1-1-33 Balance	$50,000.00		
1-1-34	350,000.00		
1-1-35	300,000.00		
1-1-36	300,000.00		
	$1,000,000.00		
	$3,500,000.00		

Approved by Board of Directors, June 15, 1927.

Approval

(Signed) John Burgess, Senior Accountant. J. B. Coles, Senior Auditor. (Signed) S. W. Murkland, Assistant General Auditor. (Signed) R. H. Gregory, General Auditor.

[fol. 14222]

Exhibit X-80—Continued

Electrical Research Products, Inc.

Accrued Discount on Sale of Option

Discount set up June 30, 1927	$402,000
Taken up into profits as follows:	
Year 1927	$75,000
Year 1928	120,000
Year 1929	207,000
	$402,000
Reserve on deferred receivables set up June 30, 1927 J. E. # 150 (Still on books at December 31, 1931)	$1,000,000

NOTE.—On October 31, 1930, the reserve was credited to sundry income by J. E. #74, and reversed, the same date on J. E. #82.

* * * * * * *

Cash Book Entries Relating to Sale of Option

May 27, 1927.	International Telephone Sales and Engineering Corporation, cashier's check of the National Park Bank, New York, endorsed as follows: Pay to the order of Electrical Research Products, Inc., International Telephone Sales and Engineering Corporation by H. L. Gary, Vice President (Credited to income)	$500,000
Dec. 30, 1927.	Deferred bills receivable, Theodore Gary and Company, payment due January 1, 1928 on the obligation of the Automatic Products Corporation dated December 16, 1927	500,000
Jan. 2, 1929.	Deferred receivables, Theodore Gary and Company, Deferred receivables $3,500,000.00	500,000
Jan. 2, 1930.	Deferred receivables, Associated Telephone & Telegraph Co.	500,000
Oct. 24, 1930.	General, Weco Corporation ($49,422.18 represents interest)	2,049,42

(Explanation given on Weco Corporation J. E. #20, October 31, 1930, recites in part "obligation of Automatic Products Corporation repaid in full October 24, 1930, to Electrical Research Products, Inc., and transferred by E. R. P. I. to this Corporation October 25, 1930").

Total cash received, excluding interest	$4,000,00

[fol. 14223]

EXHIBIT X-81

Western Electric Company, Inc.

Return on Investment in Northern Electric Company, Ltd.

(Dollars in Thousands)

Year	Average investment	Proportionate share of earnings	% Return on investment
1916	$1,370	292	21.3
1917	1,370	106	7.7
1918	1,370	223*	16.3*
1919	1,370	236	17.2
1920	1,370	39	2.8
1921	1,370	225*	16.4*
1922	1,370	57	4.2
1923	1,370	259	18.9
1924	1,370	247	18.0
1925	1,370	344	25.1
1926	1,307	562	41.0
1927	1,370	545	39.8
1928	1,370	518	37.8
1929	1,370	637	46.5
1930	3,180	532	16.7

*Red figures.

EXHIBIT X-82

Western Electric Company, Inc.

Percentage of Return on Average Capital Stock and Surplus Allocated to Bell and Non-Bell Average Investment Based on a 10% Return on the Average Investment in Bell and Non-Bell Assets

(Dollars in Thousands)

Year	Average investment per Defendant's Exhibits A-77 and A-79	10% return thereon	Average capital stock allocated to Bell and Non-Bell business	% return	Average capital stock and surplus allocated to Bell and Non-Bell business	% return
1926	$172,622	17,262	.....*	.....	86,220	20.0
1927	178,557	17,855	.....*	.....	82,549	21.6
1928	176,580	17,658	65,000	27.2	75,409	23.4
1929	230,926	23,092	84,011	27.5	101,531	22.7
1930	289,354	28,935	124,588	23.2	153,264	18.9

*Capital stock and surplus not segregated prior to December 31, 1927.

[fol. 14224]

EXHIBIT X-83

Western Electric Company, Inc., and Subsidiaries

Consolidated Average Investment, Profits, and Percentage of Return

(Dollars in Thousands)

Year	Average investment per Company's computation	Net profit per Company	% Return investment
1916	$80,299	2,769	3.4
1917	99,893	6,227	6.2
1918	113,747	6,639	5.8
1919	114,725	5,874	5.1
1920	148,508	8,576	5.8
1921	178,074	11,093	6.2
1922	164,864	10,133	6.1
1923	173,434	11,083	6.4
1924	209,681	17,264	8.3
1925	209,148	25,772	12.3
1926	219,907	18,611	8.5
1927	246,057	24,524	10.0
1928	218,809	27,727	12.7
1929	299,120	34,896	11.7
1930	372,538	19,995	5.4

(Here follows 1 paster, folio 14225.)

[fol. 14225]

EXHIBIT X–83A
Western Electric Company, Inc., and Subsidiaries
Computation of Average Investment (Per Touche, Niven & Co.)
(Dollars in Thousands)

	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	Total
Consolidated Gross Assets	$87,457	102,922	124,805	133,094	146,605	199,639	198,946	$186,670	221,126	238,180	233,995	255,267	228,887	268,338	399,235	406,996	3,432,162
Deduct:																	
Notes payable:																	
Trustee Pension Fund	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4,967	21,055	26,405	32,530	84,957
Other	$16	5,515	10,610	12,772	15,799	43,916	29,609	12,030	183	291	810	795	1,073	1,213	42,799	32,451	209,882
Other current liabilities	6,742	15,472	10,783	11,317	17,390	17,562	17,824	21,035	26,628	27,614	28,337	29,065	25,178	32,856	46,877	25,801	360,481
Reserve for Employees' Benefit Pension Fund	1,076	1,078	1,581	1,734	1,802	1,807	1,839	2,008	2,282	4,313	10,491	15,760	15,190	630	848	441	62,882
Bills receivable and trade acceptances discounted	.....	.....	.....	.....	.....	1,628	565	716	738	596	.....	.....	.....	.....	1,500	.....	5,743
Mortgages on property	.....	.....	.....	.....	.....	.....	1,650	1,650	1,650	1,650	.....	.....	.....	.....	145	195	6,940
Patents	22	.....	.....	.....	.....	580	438	419	294	165	.....	.....	.....	.....	.....	292	2,210
Goodwill	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,813	23,813
Elimination of inter-company gross profit on inventories	21	30	30	40	50	60	65	71	80	90	287	317	653	1,600	2,080	1,771	7,245
Profit in 1930 on sale of land between W. E. Co. and M. J. R. R.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	137	137
Total Deductions	$7,877	22,095	23,004	25,863	35,041	65,553	51,990	$37,929	31,855	34,719	39,925	45,939	47,061	57,354	120,654	117,431	764,290
Consolidated Net Assets before depreciation	$79,580	80,827	101,801	107,231	111,564	134,086	146,956	$148,741	189,271	203,461	194,070	209,328	181,826	210,984	278,581	289,565	2,667,872
Reserve for Depreciation	15,461	17,119	20,444	23,712	26,220	28,367	33,232	36,253	40,279	47,586	46,027	51,954	57,592	62,689	71,787	84,767	663,489
Consolidated Net Assets after depreciation	$64,119	63,708	81,357	83,519	85,344	105,719	113,724	$112,488	148,992	155,875	148,043	157,374	124,234	148,295	206,794	204,798	2,004,383
Average Investment before depreciation	.....	80,203	91,314	104,516	109,397	122,825	140,521	147,848	169,006	196,366	198,765	201,699	195,577	196,405	244,782	284,073	2,483,297
Average Investment after depreciation	.....	63,913	72,533	82,438	84,431	95,531	109,721	113,106	130,740	152,433	151,959	152,708	140,804	136,263	177,544	205,796	1,869,920

[fol. 14226]

EXHIBIT X-88

Western Electric Company, Inc., and Subsidiaries

Consolidated Average Investment, Profits, and Percentage of Return

(Dollars in Thousands)

Year	Average investment as adjusted after depreciation	Profits as adjusted	% Return on investment
1916	$64,095	2,657	4.1
1917	73,412	6,306	8.6
1918	84,128	5,709	6.8
1919	86,536	5,132	5.9
1920	98,456	7,377	7.5
1921	113,914	7,990	7.0
1922	117,783	7,555	6.4
1923	135,311	8,109	6.0
1924	157,801	17,839	11.3
1925	158,928	33,174	20.9
1926	161,436	23,689	14.7
1927	151,133	27,938	18.5
1928	148,664	31,174	21.0
1929	193,739	36,979	19.1
1930	225,147	18,404	8.2

[fol. 14227]

EXHIBIT X-89

Western Electric Company, Inc.

Basis of Published Figures of Companies Included in Defendant's Exhibit A-85

(Taken from Poor's Manual)

Company	Consolidated	Not consolidated	Subsidiaries
Air Reduction Co., Inc.	1925–1930		Yes
Allied Chemical and Dye Corp	1925–1930		Yes
American Agricultural Chemical Co	1925–1930		Yes
American Chain Co., Inc	1925–1930		Yes
American Cyanamid Co	1927–1930	1925–1926	Yes
American Ice Company	1925–1930		Yes
American Locomotive Company	1925–1930		Yes
American Radiator & Standard Sanitary Corp	1925–1930		Yes
American Safety Razor Corp	1925–1930		Yes
American Snuff Company		1925–1930	No
American Steel Foundries	1925–1930		Yes
Archer-Daniels-Midland Company	1925–1930		Yes
Atlas Powder Company	1925–1930		Yes
E. W. Bliss Company	1925–1930		Yes
Brown Shoe Company	1925–1930		Yes
Burroughs Adding Machine Company	1925–1930		Yes
J. I. Case Company		1925–1930	Yes
Caterpillar Tractor Co	1925–1930		Yes
Chrysler Corporation	1925–1930		Yes
Columbian Carbon Company	1925–1930		Yes
Congoleum-Nairn, Inc.	1925–1930		Yes
Congress Cigar Company (Incorporated in 1926)		1927–1930	No
Continental Baking Corporation	1925–1930		Yes
Continental Can Co., Inc	1925–1930		Yes
Continental Motors Corp	1925–1930		Yes
Deere & Co	1925–1930		Yes

Exhibit X-89—Continued

Company	Consolidated	Not consolidated	Subsidiaries
Dennison Mfg. Co	1929–1930	1925–1928	Yes
Diamond Match Co		1925–1930	Yes
E. I. du Pont de Nemours & Co	1925–1930		Yes
Electric Storage Battery Co	1925–1930		Yes
Endicott-Johnson Corp	1925–1930		Yes
Eureka Vacuum Cleaner Co		1925–1930	No
Fairbanks, Morse & Co	1925–1930		Yes
General Baking Corp	1925–1930		Yes
General Cigar Co., Inc		1925–1930	No
Consolidated Cigar Corp	1925–1930		Yes
General Electric Co		1925–1930	Yes
General Motors Corp	1925–1930		Yes
General Railway Signal Co	1925–1930		Yes
Glidden Co	1925–1930		Yes
[fol. 14228]			
B. F. Goodrich Co	1925–1930		Yes
Goodyear Tire & Rubber Co	1925–1930		Yes
Holland Furnace Co		1925–1930	No
Hudson Motor Car Co	1925–1930		Yes
Hupp Motor Car Corp	1925–1930		Yes
Ingersoll-Rand Co	1925–1930		Yes
International Business Machine Co	1925–1930		Yes
International Cement Corp	1925–1930		Yes
International Harvester Co	1925–1930		Yes
International Shoe Co	1925–1930		Yes
International Silver Co		1925–1930	Yes
Liggett & Myers Tobacco Co		1925–1930	No
Liquid Carbonic Corp		1925–1930	Yes
P. Lorillard Co		1925–1930	Yes
Mack Trucks Co	1925–1930		Yes
Marlin-Rockwell Corp	1925–1930		Yes
Mathieson Alkali Works, Inc		1925–1930	No
Motor Wheel Corp		1925–1930	Yes
Nash Motors Co		1925–1930	No
National Cash Register Co		1925–1930	Yes
National Lead Co	1925–1930		Yes
National Supply Corp	1925–1930		Yes
Parke, Davis & Co		1925–1930	No
Procter & Gamble Co	1925–1930		Yes
Purity Bakeries Corp	1925–1930		Yes
Radio Corp. of America	1925–1930		Yes
Remington Arms Co., Inc	1925–1930		Yes
Reo Motor Car Co		1925–1930	Yes
R. J. Reynolds Tobacco Co		1925–1930	No
St. Regis Paper Co	1928–1930	1925–1927	Yes
Simmons Co	1925–1930		Yes
A. O. Smith Corp		1925–1930	No
A. G. Spalding & Bros	1925–1930		Yes
Spicer Mfg. Co	1925–1930		Yes
Stewart-Warner Corp	1925–1930		Yes
Studebaker Corp	1925–1930		Yes
Timken Detroit Axle Co	1925–1930		Yes
Timken Roller Bearing Co	1925–1930		Yes
Torrington Co	1925–1930		Yes
Union Carbide and Carbon Corp	1925–1930		Yes
U. S. Gypsum Co	1925–1930		Yes
U. S. Industrial Alcohol Co	1925–1930		Yes
Ward Baking Corp	1925–1930		Yes
Warren Bros. Co	1925–1930		Yes
Westinghouse Electric & Mfg. Co	1925–1930		Yes
White Motor Co	1925–1930		Yes
Willys-Overland, Inc		1925–1930	Yes
Yale & Towne Co			

[fol. 14220]

EXHIBIT X-90

Western Electric Company, Inc.

Comparison of Earnings and Rate of Return Computed on the Basis Shown in Exhibit A-85 with That of Exhibits A-77 and A-79

(Dollars in Thousands)

	Poor's Manual (as per Exhibit A-85)			Exhibits A-77 and A-79		
Year	Average investment before depreciation	Earnings available for interest and dividends	% Return	Average investment before depreciation	Net profits (operating)	% Return
1916.....	$71,568	3,204	4.48	$59,095	3,870	6.55
1917.....	81,474	4,160	5.11	82,958	5,800	6.99
1918.....	92,874	5,050	5.44	93,790	6,034	6.43
1919.....	95,763	5,651	5.90	92,858	5,376	5.79
1920.....	112,870	8,276	7.33	125,471	7,290	5.81
1921.....	131,853	10,165	7.71	152,511	8,474	5.56
1922.....	135,039	9,235	6.84	140,343	8,034	5.72
1923.....	137,989	10,078	7.30	150,771	9,115	6.05
1924.....	163,285	14,505	8.88	178,920	13,245	7.40
1925.....	185,036	16,073	8.69	184,469	15,580	8.45
1926.....	190,757	16,431	8.61	172,622	14,247	8.25
1927.....	185,709	19,339	10.21	178,557	18,165	10.17
1928.....	188,577	22,023	11.68	176,580	19,876	11.26
1929.....	233,549	31,555	13.51	230,926	23,761	10.29
1930.....	280,643	20,297	7.23	289,354	12,934	4.47

[fol. 14230]

EXHIBIT X-91

Western Electric Company, Inc.

Percentage of Return on "Average Net Investment" (Exclusive of Bonded Indebtedness) to "Earnings Available for Dividends," Taken from Poor's Manual

(Dollars in Thousands)

Year	Capital	Surplus	Special reserves	Total	Average investment after depreciation and exclusive of bonded indebtedness	Earnings available for dividends	% of return
1915	$40,229	.....	$4,346	$44,575	.....	.....	.....
1916	40,454	.....	2,801	43,255	$43,915	$2,325	5.29
1917	55,755	.....	4,333	60,088	51,671	2,852	5.52
1918	55,966	.....	4,984	60,950	60,519	3,510	5.80
1919	57,055	.....	4,833	61,888	61,419	4,389	7.15
1920	57,949	.....	4,618	62,567	62,228	4,240	6.81
1921	58,773	.....	4,819	63,592	63,080	4,324	6.85
1922	99,611	.....	4,918	104,529	84,061	5,332	6.34
1923	101,804	.....	4,808	106,612	105,571	8,920	8.45
1924	105,203	.....	4,859	110,062	108,337	10,127	9.35
1925	101,435	.....	6,314	107,749	108,905	14,283	13.12
1926	108,509	.....	6,970	115,479	111,614	14,574	13.06
1927	75,000	$12,988	113	88,101	101,790	17,356	17.05
1928	100,000	10,784	125	110,909	99,505	19,708	19.81
1929	150,000	14,557	139	164,696	137,802	26,995	19.59
1930	180,000	6,932	184	187,116	175,906	15,625	8.88
	$1,387,743	$45,261	$59,164	$1,492,168	.....	.....	.....

[fol. 14231] EXHIBIT X-92

J. I. Case Company—Poor's 1931 (1766, 1767):

Depreciation Policy.—It is the policy of the Company to provide adequate depreciation reserves in line with plant activity. The total amount of the depreciation reserve account at the close of 1928 was $5,665,233 or 34.83% of the book value of the property subject to depreciation. It is not the Company's policy to charge the cost of ordinary renewals and repairs against the depreciation reserve account, but to absorb such expense in the annual operation costs.

Hupp Motor Car Corporation—Poor's 1931 (1529, 1530):

Depreciation Policy.—It is the policy of the Company to charge off the following percentages for depreciation. All reinforced concrete buildings, 2%; mill constructed buildings, 5%; machinery and equipment, 10%; factory cars, 20%; furniture and fixtures, 10%; office machinery, 20%.

Reo Motor Car Company—Poor's 1931 (1894):

None declared.

The Studebaker Corporation—Poor's 1931 (1573, 1574):

Depreciation Policy.—The policy of the Corporation is to charge off to expense all items of repairs and replacements and further to provide for depreciation at rates calculated upon the book value of the several classes of property adequate to extinguish the book value of such assets over the average effective life of the various units. The principal rates of depreciation used are as follows: Buildings, mill construction, 2%; concrete, 1%; machinery, 3%; tools, 4%, 5% and 7%; electrical apparatus, 3%, 5% and 6%; furniture and fittings, 4%, 5% and 6%.

The White Motor Company—Poor's 1931 (2018):

None declared.

Continental Motors Corporation—Poor's 1931 (1096, 1097):

Depreciation Policy.—It is the policy of the Company to provide ample reserves for depreciation of buildings, equip-
[fol. 14232] ment, etc., in accordance with approved accounting practice. The annual rates applied to the more important groups of its property are as follows: Buildings,

2%; building fixtures, 7½%; engine and boiler equipment, 7½%; plumbing, heating and sprinkler systems, 4%; machinery and equipment, 7½%; belting, 7½%; automobiles and trucks, 25%.

Marlin-Rockwell Corporation—Poor's 1931 (1537, 1538):

Depreciation Policy.—It is the practice of the Corporation to charge off annually depreciation on the fixed assets of its various plants. The percentages used based on cost are approximately as follows: Buildings, 2% to 4%; machinery, 10%; equipment, 10% to 25%.

Motor Wheel Corporation—Poor's 1931 (1522, 1523):

Depreciation Policy.—Corporation writes of depreciation at the following annual rates: Buildings (steel and concrete) 1½%; buildings (wood) 5%; general machinery, 7½%; transmission equipment, 7½%; belting, 10%; welding equipment, 7½%; furnaces, forges and tanks, 15%; pickling tanks, 50%; automotive equipment, 25%.

A. O. Smith Corporation—Poor's 1931 (1011, 1012):

Depreciation Policy.—The Corporation's policy has been to provide reserves for depreciation at an annual average rate of approximately 7%, in addition to keeping both the buildings and all the equipment in good repair and charging these, together with replacements and renewals, to operating expenses. Depreciation rates are of varying amounts according to the units depreciated, and are as large as permitted by the Treasury Department.

Spicer Manufacturing Corporation—Poor's 1931 (1987):

None declared.

The Timken-Detroit Axle Company—Poor's 1931 (1627):

None declared.

[fol. 14233] American Radiator & Standard Sanitary Corporation—Poor's 1931 (532):

None declared.

American Cyanamid Company—Poor's 1931 (1067, 1068):

Depreciation and Depletion Policy.—Company's policy is to set aside annually from earnings in a reserve ac-

ount, such amount as will be sufficient to amortize the alue of its properties at the end of the useful life thereof.

Archer-Daniels-Midland Company—Poor's 1931 (1159):

Depreciation Policy.—The policy of the Company is to nake ample provision for depreciation based upon past xperience and the estimated lives of the different items nvolved. The average rates are: Buildings, 2%; ma-hinery, 5%; automobiles, 20%; electrical equipment, 1⅓%.

Atlas Powder Company—Poor's 1931 (1502, 1503):

Depreciation Policy.—The Company's policy as to de-preciation has been to maintain all buildings and equip-ment in first class condition and repair by expenditures which have been charged to operating expense. The value of buildings and equipment replaced or renewed has been harged to expense of operation through the depreciation eserve or direct to costs. In addition the Company has rovided reserves for depreciation and obsolescence, which t the close of the calendar year 1930 amount to $5,292,624.

The B. F. Goodrich Company—Poor's 1931 (2179, 2181):

Depreciation Policy.—It is the policy of the Company to rovide ample reserve for depreciation of buildings, equip-ment, etc., in accordance with approved accounting practice. Each building is treated individually and the depreciation ercentage, never less than 2%, is so calculated with proper egard to the character of the building as to write off he cost within the life of the building. Where the Com-pany, in connection with its building replacement and ex-ension plan contemplates the removal and replacement f a building, it is depreciated at such a rate in excess of he minimum of 2% as will write off its cost within the eriod remaining before removal. Depreciation on ma-hinery and equipment is based entirely on the estimated [fol. 14234] life of each individual item and is so calcu-ated as to write off the cost within the life of the particular tem. In no case is the depreciation basis on machinery nd equipment less than 5%. Where, however, the Com-any contemplates the removal and replacement of any tem due to obsolescence, the depreciation rate on that item s adjusted to such a rate in excess of the minimum of 5%

as will write off its cost within the period remaining before removal. All repairs on buildings, machinery and equipment are treated as items of operating cost.

The Goodyear Tire & Rubber Company—Poor's 1931 (1662):

None declared.

American Ice Company—Poor's 1931 (1756):

None declared.

The Diamond Match Company—Poor's 1931 (2554, 2555):

Depreciation Policy.—The policy as to depreciation heretofore instituted will be continued. Under this policy there are charged against operations all items of repair and replacement necessary to maintain plants, machinery and equipment in a high state of efficiency, and also to make adequate provision for the depreciation and amortization of such of its properties as are subject to losses of this character, by setting up reserves. Such reserves are based upon costs and are provided at annual rates of not less than: Buildings, 3%; power plants and engines, 5%-7½%; machinery, 8⅓%; miscellaneous, 5%.

Eureka Vacuum Cleaner Company—Poor's 1931 (1314-1315):

Depreciation.—Rates employed by the Company for depreciation are as follows: Machinery and equipment, 12½% of cost per annum; automobiles and trucks, 33⅓%; office furniture and fixtures, 10%; buildings, 2½%.

The Procter & Gamble Company—Poor's 1931 (943):

None declared.

[fol. 14235] Simmons Company—Poor's 1931 (2836, 2838):

Depreciation Policy.—Rates of depreciation on the principal items are as follows: Real estate improvement, 5% to 6⅔%; buildings, 3%; machinery, electrical power plant and miscellaneous equipment, 10%; tools, 20%; piping, pulleys, shafting, etc., 5%; tracks, 10%; switch engine and hoist, 6⅔%; all autos, 25%; patterns, 30%; factory fixtures and fittings, 12½%; hand trucks and paint racks, 20%; office furniture and fixtures, 10%; office machines

appliances, 25%; service station furniture and fixtures, 12½%.

Brown Shoe Company, Inc.—Poor's 1931 (987):

None declared.

Endicott Johnson Corporation—Poor's 1931 (1445, 1446):

Depreciation Policy.—The policy of the Corporation as to depreciation is to charge off to expense all items of repairs and replacements and further to provide for depreciation at rates, calculated upon the book value of the several classes of property, adequate to extinguish the book value of such assets during the average effective life of the various units.

The following are the rates of depreciation upon the items stated: Buildings, 4%; machinery, 6%; power equipment, 12½%; factory equipment, 20%; office furniture and fixtures, 10%; automobiles, 25%.

International Shoe Company—Poor's 1931 (1099, 1100):

Depreciation Policy.—Company each year charges off for depreciation 2½% on buildings and 9% on cost value of machinery and equipment. Lasts, dies and patterns are carried on the books at $1 and are charged to operations as purchased. Charge for depreciation is based upon the estimated life of the various plant and equipment items and, as a whole, is equivalent to approximately 3½% of the present reproductive value of the entire properties of the Company, exclusive of land.

E. W. Bliss Company—Poor's 1931 (2186):

None declared.

[fol. 14236] Fairbanks, Morse & Co.—Poor's 1931 (1801):

None declared.

Ingersoll-Rand Company—Poor's 1931 (2240, 2241):

Depreciation Policy.—Depreciation is provided at the rate of 10% per annum on machinery, 2½% per annum on buildings, and 5% per annum on water, electric light, sewage and similar distribution systems, based in all cases on actual cost.

The National Supply Company of Delaware—Poor's 1931 (1762, 1763):

Depreciation Policy.—Liberal depreciation is annually written off, the minimum rate ranging from 3% to 10%, depending upon the character of the property.

Park, Davis & Company—Poor's 1931 (1265):

None declared.

American Chain Company, Inc.—Poor's 1931 (1636, 1638):

Depreciation Policy.—The Company and its subsidiaries use the following minimum rates of depreciation: Buildings and building equipment, 2%–5%; machinery, 7½%–10%; tools and miscellaneous equipment, 15%; patterns, 10%–15%; shop fittings, 25%; furnaces, 7½%–20%; office furniture, 10%–12½%. During periods of excessive wear and tear the above rates have been increased between 50% and 100%.

American Safety Razor Corporation—Poor's 1931 (1535, 1536):

Depreciation Policy.—It is the policy of the corporation to charge off annually 2½% on buildings, 7% on building equipment, 10% on machinery equipment, office furniture and fixtures, and 33⅓% on automobiles.

The Glidden Company—Poor's 1931 (1086, 1088):

Depreciation Policy.—The rate of depreciation which has been used on buildings has been 2% per annum. The rate [fol. 14237] of depreciation used on machinery and equipment is 5%, furniture and fixtures 10%, automobiles, motor equipment, etc., 40% yearly. The Board of Directors have felt that the depreciation rate of 10% on the machinery and equipment was too high and for that reason adopted a resolution on March 24, 1922, changing the rate of depreciation on machinery and equipment to 5%, this to be effective as of January 1, 1921.

International Silver Company—Poor's 1931 (1595, 1596):

Depreciation.—In addition to keeping plants in first class condition by liberal maintenance charges, annual provision for depreciation and obsolescence is made by charging the following rates: Buildings, 2½%; underground piping,

2½%; piping, 6%; plumbing and heating fixtures, 6%; elevators, 6%; electric light equipment, 6%; sprinkler system, 6%; fixtures, 6%; machinery, 6%; shafting, pulleys, etc., 6%; power plants, 6%.

The Liquid Carbonic Corporation—Poor's 1931 (989, 990):

Depreciation.—The rates of depreciation charged by the Corporation on the principal depreciable items, during recent years, have been substantially as follows: Buildings, 2½%; machinery and equipment, 5%; furniture and fixtures, 10%; auto trucks, 20%; horses and wagons, 20%; cylinders, 3½%.

National Lead Company—Poor's 1931 (1439):

None declared.

Remington Arms Company, Inc.—Poor's 1931 (1890, 1892):

Depreciation Policy.—Depreciation at the current rates approximates $215,000 per annum. This will be increased in subsequent years by depreciation of the properties acquired or to be acquired, with the proceeds of the above bond issue. The present annual rates in effect are as follows: Brick and concrete buildings, etc., 1⅓%; wooden buildings, 3⅓%; equipment forming part of buildings, 4%; machinery, furniture and other movable equipment, 2% to 25%; and tools, 6⅔% to 10%.

[fol. 14238] Burroughs Adding Machine Company—Poor's 1931 (2205, 2207):

Depreciation Policy.—Depreciation calculated to measure the useful life of the property has always been provided for on a uniform basis, due consideration being given both to deterioration and to obsolescence. The principal rates used are: Buildings, 2½%; machinery, equipment, office furniture and fixtures, 10%; patterns, drawings, tools and dies, 25%.

International Business Machines Corporation—Poor's 1931 (1752, 1754):

Depreciation Policy.—The consolidated companies make adequate reserves for depreciation of buildings, plant, equipment, and rental machines. The annual rates on buildings average about 3½%; on machinery, from 7% to

18%; on tools, dies, jigs and fixtures from 15% to 20%; and on all other equipment and machines, 12% to 20%.

The National Cash Register Company—Poor's 1931 (1992, 1993):

Depreciation Policy.—Corporation has for many years maintained a conservative policy of depreciation, shown by the following table of percentages which are deducted on the items mentioned per annum: Buildings, 2½%; machinery, furniture and fixtures, 8⅓%; manufacturing equipment, 16⅔%; railroad equipment, 10%; power house equipment, outside equipment, autos and trucks, 16⅔%; factory electric trucks, 20%; conveyor system and tools, 10%; office furniture and fixtures, 8⅓%.

Radio Corporation of America—Poor's 1931 (2849):

None declared.

American Locomotive Company—Poor's 1931 (1490):

None declared.

American Steel Foundries—Poor's 1931 (1554, 1555):

Depreciation Policy.—It is the policy of the Company to fully provide for depreciation (1) by being conservative in charges to capital. All smaller items of that character [fol. 14239] being charged direct to profit and loss or absorbed in costs; (2) by being liberal in the matter of repairs which are charged into costs, many of which are difficult to differentiate from replacements; (3) by setting aside not less than $1 per ton of steel castings produced.

General Railway Signal Company—Poor's 1931 (1191):

None declared.

American Snuff Company—Poor's 1931 (1264):

None declared.

Congress Cigar Company, Inc.—Poor's 1931 (2051, 2053):

Depreciation Policy.—The Company follows a liberal policy with respect to depreciation and seeks to make its charges accord so far as possible with past experience. The rate on buildings is 2½%, on machinery 5% and on fixtures and equipment 10%.

Consolidated Cigar Corporation—Poor's 1931 (1348, 1349):

Depreciation.—The following is a schedule indicating the percentage of depreciation taken by Corporation on various types of buildings and equipment per annum: Machinery and equipment, 10%; construction, 20%; automobiles, 25%; frame buildings, 3%; brick buildings, 2%.

General Cigar Co., Inc.—Poor's 1931 (1189, 1190):

Depreciation Policy.—Company bases its depreciation policy on the estimated useful life of the property. The percentages allowed for depreciation are as follows: On fixtures, equipment and machinery, 1% per month; on buildings, 5% per annum; on fixtures of retail stores the depreciation is based on the life of the lease.

Liggett & Myers Tobacco Company—Poor's 1931 (1193, 1194):

Depreciation Policy.—It has been the consistent policy of Company since its organization to charge off yearly an ample amount for depreciation; 3% on real estate and buildings and 5% on machinery and fixtures.

[fol. 14240] P. Lorillard Company—Poor's 1931 (1375, 1376):

Depreciation Policy.—The policy of the Company with respect to depreciation on machinery and fixtures, and office furniture and fixtures, is to set aside annually in a reserve account such an amount as will suffice at the end of the useful life of the property, estimated to be at an average of twenty years, to replace the property. Ordinary repairs and renewals are charged to expenses. As to real estate, a depreciation on basis of 3% is set up on value of improvements to cover depreciation of improvements.

R. J. Reynolds Tobacco Company—Poor's 1931 (1126, 1127):

Depreciation Policy.—Company claims and uses as an expense each year an amount equal to the maximum amount allowed by the United States Government Bureau of Internal Revenue as depreciation upon its properties of all classes. This policy has obtained and has been complied with practically from the beginning of the business. In addition thereto since 1918, when charges for obsolescence

were first allowed, an amount equal to 5% on the items affected has been used as an expense each year.

Air Reduction—Poor's 1931 (1391, 1393):

Depreciation Policy.—The policy of the Company as to depreciation of property is as follows: It accumulates monthly reserves for depreciation at annual rates of from 2% to 33⅓%, depending on the character and age of the property.

Allied Chemical and Dye Corporation—Poor's 1931 (1814):

None declared.

American Agricultural Chemical Company—Poor's 1931 (1152, 1153):

Depreciation and Depletion Policy.—The basis for the calculation of depreciation is the estimated useful life of each item of property subject to depreciation as determined by an independent survey made by the American Appraisal Co. The amount so determined is charged off the actual original cost of the respective items of property. Depletion [fol. 14241] rates are determined by dividing the fair value of the phosphate rock expected to be mined during the next succeeding 40 years by the total prospected tonnage of the mine.

Caterpillar Tractor Co.—Poor's 1931 (1262, 1263):

Depreciation Policy.—The following are the annual rates of depreciation based on estimated useful life taken against the capital assets of Company on the basis of appraised value: Buildings, 2% to 5%; office furniture and fixtures, 8% to 10%; machinery and jigs, 6% to 20%; patterns, 20%; automobiles and trucks, 25%.

Chrysler Corporation—Poor's 1931 (2262, 2263):

Depreciation Policy—The depreciation rates in use by the Corporation are based upon the following annual rates: Building, 3%; real estate improvements, 10%; water and sewerage, 6%; heating and ventilating, 7½%; gas and air installation, 7½%; sprinkler system, 7½%; electrical installation, 10%; machinery and equipment, 12%; power transmission, 10%; furnaces, forges, ovens, etc., and mis-

cellaneous, 15%; factory cars, 40%; furniture and fixtures, 12½%; tools and dies (amortized over car production).

Columbian Carbon Company—Poor's 1931 (1689, 1690):

Depreciation and Depletion Policy.—Company provides for depreciation by the straight line method on the basis of cost, the rates varying from 5% on tank cars to 33⅓%, on automobiles, the average rate on all classes of property being 15%. Depletion as provided for on the general basis in Section 214 of the Revenue Act of 1926, i. e., 27½% of the gross value of the output not exceeding 50% of the net.

Congoleum-Nairn Inc.—Poor's 1931 (1339):

None declared.

Continental Can Co., Inc.—Poor's 1931 (1305, 1307):

Depreciation Policy.—Reserve for depreciation is figured at 3% on the entire real estate, plant, machinery and equipment account of the can factories; at 4% on the real estate, plant, machinery and equipment account of the tin plate mill; and at 10% on the real estate, plants, machinery and [fol. 14242] equipment accounts of the Los Angeles Can Corp., the Continental Can Co., Inc., of California, and the Continental Can Co., Inc., of Washington.

Continental Baking Corporation—Poor's 1931 (2356):

None declared.

Deere & Company—Poor's 1931 (1183):

None declared.

Dennison Manufacturing Co. (Not in Standard Statistics Bulletin)—Poor's 1931 (552):

None declared.

E. I. Du Pont De Nemours & Company—Poor's 1931 (1238, 1241):

Depreciation Policy.—The main purpose for the depreciation reserves is to provide a fund to take care of the permanent assets as they become obsolete, it being the practice of the Company to carry all permanent assets at their original cost value and to charge operations with all repairs and replacements rather than to charge same against the depreciation reserve. A reserve for depreciation

is provided for all the permanent assets, with the exception of real estate. Buildings, equipment and houses are depreciated at the rate of 3% to 6% per annum, except on certain special buildings and equipment to which is applied a rate of 10% to 20% per annum. Automobiles are depreciated at the rate of 30% per annum and auto trucks on a conservative mileage basis. Portable and permanent magazines located on leased land are depreciated at the rate of 6% per annum. No depreciation is set up on magazines and warehouses located on Company's own properties, as experience has proven that appreciation in real estate more than offsets depreciation on buildings.

The Electric Storage Battery Co.—Poor's 1931 (1523):

None declared.

General Baking Company—Poor's 1931 (1854, 1855):

Depreciation Policy.—The policy of the Company as to depreciation is to set aside a reserve annually at the follow- [fol. 14243] ing rates: Buildings, 1½%; ovens, 5%; machinery and equipment, 5% to 15%; horse-drawn vehicles, 8%; other delivery equipment, 10% to 15%.

General Electric Company—Poor's 1931 (2092):

None declared.

General Motors Corporation—Poor's 1931 (2070, 2072, 2075):

Research.—General Motors Research Laboratories, Detroit, Mich. Maintained for the continuous improvement of General Motors products. General Motors Proving Ground, Milford, Mich. A 1268-acre "outdoor laboratory" for the testing of General Motors cars and trucks. The average number of employees of the Corporation, not including certain affiliated companies, for 1930 was 172,938 as compared with 233,286 for 1929, 208,981 for 1928 and 175,666 for 1927.

Depreciation Policy.—Depreciation is computed by General Motors Corporation and its subsidiaries by the straight line method, without regard to salvage or residual value, on the basis of cost, or sound values as determined by independent appraisals, at the following annual rates: Buildings, 3%; machinery and equipment, 10%; furniture and fixtures, 10%; land improvements, 5%.

Holland Furnace Company—Poor's 1931 (1966, 1967):

Depreciation Policy.—It is the policy of Company to capitalize all permanent assets at cost. Depreciation is charged off on the straight line method, covering the average life of the assets in any particular group. Whenever assets are disposed of at less than their book value, the difference is immediately charged off as a capital loss. On the other hand, whenever an asset is completely depreciated, the lapse is properly adjusted. Experience has shown in the past years that on the whole the rates have more than covered actual depreciation. Annual charge offs are at the following rates: Buildings, 3%; machinery and equipment, 10%; office furniture and fixtures, 10%; office machinery and equipment, 20%; patterns, dies and flasks, 20%; [fol. 14244] cleaner equipment, 38-8/9% first year, 33⅓% second year, 16⅔% third year, 11-1/9% fourth year.

Hudson Motor Car Company—Poor's 1931 (1321, 1322):

Depreciation Policy.—It is the policy of the Company to provide ample reserves for depreciation of buildings, equipment, etc., in accordance with approved accounting practice.

International Cement Corporation—Poor's 1931 (1731, 1733):

Depreciation Policy.—It is the policy of the corporation to provide ample reserves, not only against depreciation of plants and machinery, but also against depletion of raw material deposit. The rates of depreciation charged by the Subsidiary Companies are based on the Mortality Schedule adopted by the Portland Cement Association which average approximately 6¼% to 6½% per annum, and which have been approved by the Treasury Department of the United States for Income tax purposes and by the Federal Trade Commission.

International Harvester Company—Poor's 1931 (1468):

None declared.

Mack Trucks, Inc.—Poor's 1931 (1648, 1649):

Depreciation Policy.—The normal depreciation rates per year had been standardized as follows: Building and building equipment, 5 per cent; machinery, 7½ to 10 per cent; power plant and transmission equipment, 10 per cent; office

and factory furniture and fixtures, 15 per cent; auto and trucking equipment, 25 per cent; small tools and miscellaneous shop equipment, 20 per cent.

The Mathieson Alkali Works (Inc.)—Poor's 1931 (1362):

None declared.

The Nash Motors Company—Poor's 1931 (1157, 1158):

Depreciation Policy.—Company's policy as to depreciation has been to maintain all buildings and equipment in first-class condition and repair by expenditures which have [fol. 14245] been charged to operating expense. In addition Company has provided reserves for depreciation and obsolescence which on Nov. 30, 1927, amounted to $7,460,631 as compared with total values of plant and equipment of $15,900,601. Annual rates for depreciation applied to the more important items are as follows: Buildings, 3%; machinery, 10%; equipment, 10% to 20%; conveyors, 20%; furniture and fixtures, 10%.

Purity Bakeries Corporation—Poor's 1931 (1203, 1205):

Depreciation.—Rates used by various subsidiary companies up to the time of their acquisition by Purity Bakeries Corporation are the rates approved by U. S. Treasury Department for Income Tax purposes. Thereafter the rates used are those adopted and recommended by an independent appraisal company and are computed on the reproductive values of the properties. These rates are approximately as follows: Buildings, 1¾% to 5%; ovens, 6% to 10%; machinery and equipment, 6⅛% to 10%; automobiles 20 to 30%.

St. Regis Paper Company (not listed in Standard Statistics Bulletin)—Poor's 1931 (706):

None declared.

A. G. Spalding & Bros. (not listed in Standard Statistics Bulletin)—Poor's 1931 (1118, 1119):

Depreciation Policy.—Company follows a liberal policy with respect to depreciation and seeks to make its charges accord so far as possible with past experience, erring on the side of greater rather than lesser depreciation charges. The rate upon the buildings is 3%; furniture and fixtures

10%; machinery and equipment, 10%; patterns, dies and jigs, 20%, and delivery equipment, 20% to 25%.

Stewart-Warner Corporation—Poor's 1931 (1302, 1303):

Depreciation Policy.—Corporation provides ample reserve for depreciation of buildings, equipment, etc., in accordance with approved accounting practice.

[fol. 14246] The Timken Roller Bearing Company—Poor's 1931 (2373, 2374):

Depreciation Policy.—Company's depreciation policy has been to keep its buildings and equipment up-to-date and in good condition by expenditures which have been charged to operating expenses and also to charge renewals and replacements to operating expenses. In addition Company has provided reserve for depreciation through Dec. 31, 1928, in the sum of $6,550,975.

The Torrington Company of Connecticut (not listed in Standard Statistics Bulletin)—Poor's 1931. See (1032, 1033):

Union Carbide and Carbon Corporation—Poor's 1931 (1694, 1696):

Depreciation Policy.—The policy of the Corporation is to keep manufacturing properties in a state of first class operating efficiency from earnings, and in addition to provide a reserve for depreciation sufficient to extinguish the book value over the estimated life of the property, the additions to such reserve being made annually.

United States Gypsum Company—Poor's 1931 (1847, 1848):

Depreciation Policy.—Depreciation at an average rate of 4% annually has been taken against all buildings and equipment since the organization of the Company. This is a composite rate and has received the approval of the United States Bureau of Internal Revenue. Experience has proven these deductions to be ample.

U. S. Industrial Alcohol Company—Poor's 1931 (2805, 2806):

Depreciation Policy.—The Company makes adequate provision for depreciation of plant and equipment. Rates vary

from 2½% to 36% per annum depending upon character, use and age of the equipment.

Ward Baking Corporation—Poor's 1931 (1284):

None declared.

[fol. 14247] Warren Brothers Company — Poor's 1931 (2404, 2406):

Depreciation Policy.—It is the policy of the Company and its subsidiaries to set aside a reserve for depreciation of buildings and equipment, based on their estimated life, such reserves being, in all cases, as large as is permitted under the practice of United States Internal Revenue Department, Income Tax Division.

Westinghouse Electric & Manufacturing Company—Poor's 1931 (1704, 1705):

Depreciation Policy.—On account of the varied construction of its buildings and life of its machine tools and equipment different rates of percentages for depreciation are used by the Company, the minimum annual rates for the main items being 2% on fireproof buildings, 8⅓% on other buildings, and from 5% to 7½% on machinery and tools.

Research.—Investment in wholly owned companies includes capital advanced to, as well as the securities of, Westinghouse Electric Supply Co., operating a chain of distributing houses in the United States, and the branch companies representing the Westinghouse Electric International Company in certain foreign countries. The Westinghouse X-Ray Company, Inc., was organized in 1930 to supply equipment and appliances for therapeutic use. There have been acquired a majority interest in the capital stock of the Wappler Electric Co., Inc., of Long Island City, N. Y., manufacturers of X-Ray apparatus; and the assets of the American X-Ray Company of Chicago. The Westinghouse X-Ray Company, Inc., will continue the manufacture of standard equipment produced by the companies, acquired and will market new divices in this field as developed, including X-Ray tubes developed and manufactured by Westinghouse Lamp Co. for medical and industrial application. Carried also in this investment account are the Interborough Improvement Co., operating Company's plan for home

ownership by employees, the interworks railway companies at East Pittsburgh, and other miscellaneous companies.

Interest in Radio Corp. of America.—In August, 1921, Radio Corp. of America (see General Index) entered into an agreement with the International Radio Telegraph Co. and the Westinghouse Electric & Mfg. Co. by which the [fol. 14248] Radio Corp. of America acquired the radio inventions of the International Company and those of the Westinghouse Company. The Westinghouse Electric & Mfg. Co. purchased a substantial minority stock interest in the Radio Corp. of America. As of December 31, 1930, Westinghouse Electric & Manufacturing Company owned 50,000 shares of the "A" Preferred stock and 2,842,950 shares of no par value Common stock of Radio Corporation of America. Of these holdings of Common stock, Company received 2,632,150 shares as a result of certain reorganizations, effective as of Jan. 1, 1930, through which Radio Corporation of America acquired certain manufacturing rights for radio sets and tubes and related fields together with certain other assets formerly owned by Company, including its holdings of stock in General Motors Radio Corp., National Broadcasting Co., and RCA Photophone Inc. In a suit filed by the Federal Government pending against Radio Corporation of America, Westinghouse Electric & Manufacturing Co. and others, the Government has questioned the relations of this Company with Radio Corp. of America, and other associated companies in the Radio field, including its right to hold the stock of Radio Corp. of America.

The Willys-Overland Company—Poor's 1931 (1870, 1872):

Depreciation Policy.—The Company's policy as to depreciation is shown by the following schedule of depreciation rates used during the year 1923: Buildings 2½%; machinery, general, special and miscellaneous equipment and furniture and fixtures, 10%; trucks 20%, 30% and 50%.

The Yale & Towne Manufacturing Company—Poor's 1931 (1821, 1822):

Depreciation Policy.—Company makes annual provision for depreciation and obsolescence at the following rates: Yard railway, elevators, power plant, line shafting, furnaces, etc.; machinery, wood buildings, 5%; office furniture

and fixtures, 7%; industrial trucks, 16⅔%; fire apparatus, piping and plumbing and electric light equipment 3%; shop furniture and fixtures, 10%; patterns, etc., 15%; brick and concrete buildings, 2%.

[fol. 14249] EXHIBIT X-93

Western Electric Company, Inc.

Defendant's Exhibit A-85

Depreciation Rates

Machinery

5%:

Archer-Daniels-Midland Company.
The Glidden Company.
Liquid Carbonic Corporation.
Congress Cigar Company, Inc.
Liggett & Myers Tobacco Company.
Yale & Towne Manufacturing Company.

6%:

Endicott-Johnson Corporation.
International Silver Company.

8⅓%:

The Diamond Match Company.
National Cash Register Company.

5% to 7½%:

Westinghouse Electric & Manufacturing Company.

In conformity with rates approved by the Internal Revenue Department:

A. O. Smith Corporation.
R. J. Reynolds Tobacco Company.
The International Cement Corporation.
United States Gypsum Company.
Warren Brothers Company.

Depletion Basis:

American Cyanamid Company.
American Agricultural Chemical Company.
The International Cement Corporation.

[fol. 14250] Miscellaneous:

The National Supply Company of Delaware—3% to 10% depending upon the character of the property.

Chrysler Corporation.—Tools and dies—amortized over car production.

E. I. DuPont de Nemours & Company—no depreciation on magazines and warehouses located on Company's own property as experience has proven that appreciation on real estate offsets depreciation on buildings.

Western Electric Company, Inc.

Defendant's Exhibit A-85

Depreciation Rates

Furniture and Fixtures:

10%:

Hupp Motor Car Corporation.
Eureka Vacuum Cleaner Company.
Simmons Company.
Endicott-Johnson Corporation.
American Chain Company, Inc.
American Safety Razor Corporation.
Liquid Carbonic Corporation.
Burroughs Adding Machine Company.
Congress Cigar Company, Inc.
General Motors Corporation.
Holland Furnace Company.
Nash Motors Company.
A. G. Spaulding & Bros.
Willys-Overland Company.
Yale & Towne Manufacturing Company.

Less than 10%:

The Studebaker Corporation—4% to 6%.
International Silver Company—6%.
National Cash Register Company—8⅓%.

Liggett & Myers Tobacco Company—5%.
Caterpillar Tractor Co.—8% to 10%.

[fol. 14251] Other:

Simmons Company—12½%.
General Cigar Co., Inc.—12%.
Chrysler Corporation—12½%.
Mack Trucks, Inc.—15%.
American Chain Company, Inc.—12½%.
International Business Machines Corporation—15% to 20%.

Small Tools:

The Studebaker Corporation—4% to 7%.
Remington Arms Company, Inc.—6⅔% to 10%.
International Business Machines Corporation—15% to 20%.
National Cash Register Company—10%.
Caterpillar Tractor Co.—6% to 20%.
Holland Furnace Company—20%.
Mack Trucks, Inc.—20%.
A. G. Spaulding & Bros.—20%.
Westinghouse Electric & Manufacturing Company—5% to 7½%.
American Chain Company, Inc.—15%.
Burroughs Adding Machine Company—25%.

Western Electric Company, Inc.

Adjustments to Surplus Accounts Omitted in Computation of Average Annual Earnings of Various Companies, Included in Defendant's Exhibit A-85

(Debit Adjustments are Shown in Black; Credit Adjustments in Red)

Number	Company and Explanation of Adjustments	1925	1926	1927	1928	1929	1930
1	Air Reduction, Inc.:						
	Adjustments to surplus (no details given) (S yellow A 31-4)	$573,127	1,360*	679,373	.....	.....	.....
3	American Agricultural Chemical Co.:						
	Reduction in book value of capital assets as of July 1, 1924 (S yellow A 21-5)	501,176	.....	.....	.....	.....	.....
	Reserve for gen. plant and props. (S yellow A 21-5)	.....	.....	.....	.....	.....	10,297,293
	Reserve for phosphate rock deposits (S yellow A 21-5)	.....	.....	.....	.....	.....	11,325,701
	Reserve for accounts and notes receivable (S yellow A 21-5)	.....	.....	.....	.....	.....	2,105,047
	Reserve for contingencies (S yellow A 21-5)	.....	.....	.....	.....	.....	1,500,000
11	American Steel Foundries:						
	Loss from sale of investments and property (S yellow A 27-5)	.....	.....	.....	642,500	448,320	158,788
13	Atlas Powder Co.:						
	Appropriation for reserve for contingencies (S yellow A 59-5)	.....	.....	.....	2,500,000	.....	.....
15	Brown Shoe Company:						
	Adjustments to surplus (no details given) (S yellow B 11-5)	142,613*	112,405*	51,833*	149,385*	268,911*	98,500*
16	Burroughs Adding Machine Co.:						
	Contingencies reserve adjustment (S yellow B 19-5)	.....	.....	.....	.....	812,375*	.....
	Patents written off (S yellow B 19-5)	.....	.....	.....	.....	3,099,212	.....
18	Caterpillar Tractor:						
	Abandonment and sale of Stockton plant, etc. (Poor's 1263)	.....	.....	.....	.....	.....	1,584,719

* Red Figures.

Exhibit X-94—Continued

Number	Company and Explanation of Adjustments	1925	1926	1927	1928	1929	1930
19	Chrysler Corporation:						
	Miscellaneous net debit adjustment applicable to prior periods (S yellow C 61–5)	.....	121,925	.....	.....	.....	.....
21	Congoleum-Nairn, Inc.:						
	Miscellaneous adjustments (no details given) (S yellow C 49–4)	136,122	83,204	.....	.....	.....	.....
[fol. 14253]							
23	Consolidated Cigar Corporation:						
	Miscellaneous debits (no details given) (S yellow C 53–7)	86,611	165,574	282,439	228,885	214,116	143,092
24	Continental Baking Corporation:						
	Tax adjustments (S yellow C 63–5)	.....	.....	9,385	28,482	21,747	10,388*
	Uncollectible accounts receivable of prior years written off (S yellow C 63–5)	.....	.....	152,672	.....	.....	.....
	Deferred advtg. at beginning of year written off (S yellow C 63–5)	.....	.....	313,964	.....	.....	.....
25	Continental Can Co., Inc.:						
	Miscellaneous debits (no details given) (S yellow C 133–4)	.....	.....	37,618	303,268	220,849	51,807
	Patents written off (S yellow C 133–4)	.....	.....	.....	15,537	.....	.....
	Patents and goodwill written off (S yellow C 133–4)	67,833	31,893	100,992	.....	.....	.....
26	Continental Motors Corporation:						
	Adjustment of special tools, dies and patterns (S yellow C 155–5)	.....	.....	.....	.....	.....	2,209,792
	Provision for obsol. and losses in investments (S yellow C 155–5)	.....	.....	.....	.....	.....	971,392
	Reduction in value of used tools (S yellow C 155–5)	.....	.....	.....	.....	.....	200,000
	Write-off of devel. costs (S yellow C 155–5)	.....	.....	.....	.....	.....	385,060
	Elimination of sundry deferred charges (S yellow C 155–5)	.....	.....	.....	.....	.....	182,460
	Increased reserve for bad debts (S yellow C 155–5)	.....	.....	.....	.....	.....	272,887

	Provision for cost of obsolete machinery and equipment (S yellow C 155–5)						98,697
	Provision for contingencies (S yellow C 155–5)						165,000
	Adjustment of investments, leases and miscellaneous items (S yellow C 155–5)						101,742
	Provision for additional federal taxes payable for prior years (S yellow C 155–5)					1,092	
	Further adjustment in val. of investments in other companies (S yellow C 155–6)						53,312
	Federal tax refunds (S yellow C 155–6)		39,967*		3,819*		
29	Diamond Match Co.:						
	Miscellaneous credits (no details given) (S yellow D 15–6)					439,473*	11,625,489*
[fol. 14254]							
30	Dupont de Nemours:						
	Surplus from refunds and tax adjustments for prior years (S yellow D 21–8)		2,681,294*				
	Appropriation for pension reserve (S yellow D 21–8)		4,880,729			3,807,968	
	Miscellaneous adjustment applicable to prior years and appropriation for contingencies (S yellow D 21–8)			2,528,944			
31	Electric Storage Battery:						
	Federal taxes for previous year (S yellow E 5–5)	851,007	1,086,596	848,410	772,785		
	Loss on sale of plant and equipment of New Haven Carriage Co. (S yellow E 5–5)	73,314					
	Adjustment of patents accounts to the approximate valuation allowed by the U. S. Treasury Department for the purpose of federal taxation (S yellow E 5–5)	4,999,999					
32	Endicott-Johnson Corporation:						
	Reduction of workmen's compensation reserve to cons. requir. (S yellow E 27–5)						108,661*
	Adjustment of taxes for previous year (S yellow E 27–5)				582,468*	32,340*	120,496
	Additional depreciation (S yellow E 27–5)	232,708					705,750
	Conting. reserve including market decline of hide commitments (S yellows E 27–5)						390,381

* Red figures.

Exhibit X-94—Continued

Number	Company and Explanation of Adjustments	1925	1926	1927	1928	1929	1930
37	General Electric Co.:						
	Reserve for Contract Purchase Corp. investments restored to surplus (8 yellow G 1–6)	.....	.....	.....	5,043,613*	.....	.....
	Reserve for federal tax restored to surplus (8 yellow G 1–6)	.....	.....	.....	4,220,928*	.....	.....
[fol. 14255]							
39	General Railway Signal Co.:						
	Adjustment of reserve for contingencies (8 yellow G 23–4)	$215,000*	138,684	60,000*	.....	.....	.....
	Adjustments applicable to prior periods, net (8 yellow G 23–4)	56,877	93,712	14,764*	49,377*	86,025	836*
	Reserve for obsolescence (8 yellow G 23–4)	120,000	120,000	.....	.....	.....	.....
	Loss on sale of albany property (8 yellow G 23–4)	.....	.....	244,610	.....	.....	.....
	Adj. to reserve for depreciation and amortization to conform to federal tax requirements (8 yellow G 23–4)	.....	.....	441,054	.....	.....	.....
	Adj. of plant and equipment to a cost basis (8 yellow G 23–4)	.....	.....	554,440	.....	.....	.....
40	Glidden Company:						
	Inventory adjustment (8 yellow G 29–7)	.....	109,518	.....	.....	.....	.....
	Trans. to contingencies reserve (8 yellow G 29–7)	.....	500,000	.....	.....	.....	.....
	Miscellaneous debit adjustment (no details given) (8 yellow G 29–7)	13,249	11,735	1,294	.....	.....	.....
	Reappraisal of Oakland, Cal. plant (8 yellow G 29–7)	.....	193,061*	.....	.....	.....	.....
	Appreciation of plants acquired (8 yellow G 29–7)	.....	.....	.....	.....	76,625*	.....
	Miscellaneous credit divs. etc. (8 yellow G 29–7)	9,287*	.....	.....	.....	.....	.....
41	Goodrich Co.:						
	Sundry adjustments not chargeable to current year's operations (8 yellow G 25–6)	.....	.....	.....	761,914	51,981	.....
	Sundry adjustments pertaining to prior years, including additional federal income tax applicable to 1925 and 1924 (8 yellow G 25–6)	.....	.....	560,886	.....	.....	.....
	Income and war excess profits taxes paid during year	.....	1,703,000	.....	.....	.....	.....

	Other adjustments (no details given) (S yellow G 39–5)						815,000
	Depreciation adjustment for prior years (S yellow G 39–5)					497,125	
	Goodwill and patents charged off (S yellow G 39–5)				10,209,274		
	Unused balance of tax reserve created prior to 1921 (S yellow G 39–5)				1,518,522*		
[fol. 14256]							
44	Hudson Motor Car Co.:						
	Contingencies reserve (S yellow H 1–3)	230,000		150,000	150,000	300,000	
	Adj. of federal taxes for prior years		108,071				
47	International Business Machine Corp.:						
	Amortization of patents (S yellow I 43–5)						71,237
	Accumulated royalties of prior periods received during 1926		425,530*				
	Reserve for contingencies		400,000				
48	International Cement Corp.:						
	Income taxes of prior years and sundry adjustments (S yellow I 33–4)	9,123	69,398				
	Miscellaneous adjustments affecting prior periods (S yellow I 33–4)			92,827*			
	Increase in adj. for exchange of net current assets in South America (S yellow I 33–4)	82,154*	9,876		1,784	69,108	
	Equipment dismantled principally in connection with reconstruction of Indiana plant, less depreciation accrued thereon (S yellow I 33–5)					683,086	
50	International Shoe Co.:						
	Adjustment of physical property values (S yellow I 29–5)	12,480,944*					
53	Liquid Carbonic:						
	Managers' and employees' profit sharing (Poor's 989)	131,050	170,000	105,232	185,000	140,000	125,000
	Reserve against receivable and collections (Poor's 989)						100,000

* Red Figures.

Exhibit X-94—Continued

Number	Company and Explanation of Adjustments	1925	1926	1927	1928	1929	1930
[fol. 14257]							
54	P. Lorillard Co.:						
	Rejected portion of claims for federal tax refunds for prior years carried in accounts rec. plus exp. incidental thereto (S yellow L 31–5)				1,604,076		
55	Mack Trucks, Inc.:						
	Additional reserve for contingencies (S yellow M 11–5)						1,000,000
	Adj. applicable to prior years (S yellow M 11–5)		114,783*				
57	Mathieson Alkali Works, Inc.:						
	Sundry adjustments (no details given) (S yellow M 21–4)	47,724	29,328	11,248	5,410	56,640	108,953
	Litigation exp. of coal suits (S yellow M 21–4)			79,237			
	Process development expense of prior years (S yellow M 21–4)			56,364			
	Reserve for obsolescence (S yellow M 21–4)	500,000					
	Acct. accident Saltp'le Settling Basin, December 24, 1924 (S yellow M 21–4)	25,000					
58	Motor Wheel Corp.:						
	Patent expense, prior year (S yellow M 37–5)						186,500
	Provision for contingencies (S yellow M 37–5)				75,000		
	Unused portion of federal income tax reserve (S yellow M 37–5)			9,319*			
	Additional depreciation on dies allowed by U. S. Bureau of Internal Revenue for years 1920 to 1923, inclusive (S yellow M 37–5)		66,949				
60	National Cash Register Co.:						
	Patents, goodwill, etc., written off (S yellow N 13–5)				1,683,334	4,081,268	39,889
	Reserve for contingencies not req. transferred to surplus (S yellow N 13–5)				683,334*		
	Organiz. expense written off (S yellow N 13–5)		247,911				

66	Radio Corp. of America:						
	Additional reserve against foreign investments (S yellow R 17–8)				1,400,909		
	Patent account written down (S yellow R 17–8)			1,000,000	4,789,924		
	Reserve for plant and equipment (S yellow R 17–8)			4,500,000			
	Sundry mach. tools and furniture written down to $1 (S yellow R 17–8)			799,310			
[fol.. 14258]							
68	Reo Motor Car Co.:						
	Sundry debits (no details given) (1930 S White R 12–3; other years S yellow R 11–4)					3,080	38
	Reserve no longer required, federal taxes (1930 S White R 12–3; other years S yellow R 11–4)					276,800*	10,342*
	Reserve no longer required, contingencies (S yellow R 11–4)			195,556*	102,845*		
	Sundry credits (no details given) (S yellow R 11–4)			90,570*	4,243*	2,643*	
	Refund federal taxes, prior years (1930 S White R 12–3; other years S yellow R 11–4)					115,675*	40,812*
69	R. J. Reynolds Tobacco Co.:						
	Sundry items applicable to prior periods (S yellow R 23–5)			8,744,739*			
71	Simmons Company:						
	Adjustment account prior years (S yellow S 17–5)	66,172	192,194	636,112	482,235	276,815	
	Advertising and development expenses (S yellow S 17–5)						1,099,857
	Inventory write down (S yellow S 17–5)						1,430,317
	Depreciation on appreciation (S yellow S 17–5)						1,434,030
	Reallocation of exps. and write-down of miscellaneous advances and investments (S yellow S 17–5)						169,855
	Adj. resulting from revaluation of fixed assets at December 31, 1930, obsol. and allowance for loss of long-time note receivable (S yellow S 17–5)						556,451

* Red Figures.

Exhibit X-94—Continued

Number	Company and Explanation of Adjustments	1925	1926	1927	1928	1929	1930
75	Stewart-Warner Corp.:						
	Adjustment in respect of prior years, corporation income tax, tax, patents, development expense written off (S yellow S 21–4)	.....	756,739	1,476,627	.....	.....	.....
[fol. 14259]							
	Appreciation arising from appraisal on properties and plant (S yellow S 21–4)	.....	.....	.....	215,685*	.....	.....
	Miscellaneous credit adjustments (no details given) (S yellow S 21–5)	.....	.....	.....	.....	.....	157,369*
76	The Studebaker Corp.:						
	Appr. to further reduce book value of Detroit plants not in use (S yellow S 39–6)	.....	.....	.....	.....	.....	2,918,323
	Losses and expenses incidental to centralizing factory operations at South Bend (S yellow S 39–6)	.....	.....	.....	5,949,998	.....	.....
	Reserve for contingencies (S yellow S 39–6)	3,000,000	.....	.....	.....	.....	.....
78	Timken Roller Bearing Co.:						
	Prior year's taxes, etc. (S yellow T 9–5)	.....	25,014	19,462*	.....	4,321*	32,857*
	Net additions to surplus to reflect amortization and depreciation all on plant property for prior years as determined by U. S. Treasury Department, adjust. of prior years tax expense, etc. (S yellow T 9–5)	.....	.....	.....	410,543*	.....	.....
80	Union Carbide & Carbon Co.:						
	Net adjustment (no explanation given) (S yellow U 5–4)	217,237*	5,162*	140,163*	294,057	4,515,122	.....
	Unamortized book value of patents, etc. (S yellow U 5–4)	29,423,509	.....	.....	.....	.....	.....
82	U. S. Industrial Alcohol Co.:						
	Miscellaneous adjustment (no details given) (S White U 40–2)	.....	.....	.....	.....	.....	244,858
	Additional depreciation, etc., applicable to tax returns for prior years (S yellow U 39–4)	.....	717,157	2,464,063	.....	1,262,816	.....

Exhibit X-94—Continued

		Year to March 31, 1926	Year to March 31, 1927	Year to March 31, 1928	Year to December 31, 1928
85	Westinghouse Electric & Mfg. Co.:				
	Miscellaneous debits (no explanation given) (S yellow W 13–5)	$214,183	642,118	.....	83,034
	Balance of reserve previously appropriated for federal tax not required (S yellow W 13–5)	.....	.....	3,000,000*	1,000,000*
	Approp. for conting. res. for further possible shrinkage in investments (S yellow W 13–5)	.....	.....	1,770,976	.....
	Patents, charters, franchises, etc., written down to nominal value (S yellow W 13–5)	.....	.....	4,621,784	.....
	Additional reserve for federal taxes, 1917–1921 (S yellow W 13–5)	4,000,000	.....	.....	.....
	Miscellaneous credits (no explanation given) (S yellow W 13–5)	82,765*	.....	.....	.....
		1925	1926	1927	1928
86	White Motor Co.:				
	Contingencies reserve (S yellow W 49–3)	.....	.....	.....	500,000
87	Willys-Overland, Inc.:				
	Additional depreciation on buildings dismantled applicable to prior years (S yellow W 43–6)	327,798	125,791	.....	.....
	Adjustment of reserves	.....	130,214*	.....	.....

* Red Figures.

Exhibit X-94—Continued

[fol. 14261] Western Electric Company, Inc.

Surplus Adjustments of 88 Companies, Year 1931

	Debits †Credits
4. American Chain Co.:	
Miscellaneous adjustment to earned surplus	[illegible]
5. American Cyanamid Co.:	
Changes applicable to prior periods (net)	[illegible]
8. American Radiator & Standard Sanitary Corp.:	
Adjustment of Foreign Exchange valuations	[illegible]
9. American Safety Razor Corp.:	
Reserve to reduce marketable securities to lower of cost or market at December 31, 1931	[illegible]
Loss on Foreign Exchange at September 30, 1931	[illegible]
Loss on sale of Corporation's own shares	[illegible]
Adjustment of Federal, State and British taxes, etc.	[illegible]
11. American Steel Foundries:	
Loss from property sold and plant dismantled	[illegible]
13. Atlas Powder Company:	
Appropriated to Reserve for Obsolescence of Plants	[illegible]
16. Burroughs Adding Machine Company:	
Reserve for decrease in value of foreign accounts due to fluctuation in foreign exchange	[illegible]
Additional reserve for notes and accounts receivable	[illegible]
Reserve for decrease in market value of Government securities	[illegible]
Credit adjustment applicable to prior years	[illegible]
20. Columbian Carbon Company:	
Credits applicable to prior years (net)	[illegible]
Leases surrendered	[illegible]
Sterling exchange adjustment	[illegible]
22. Congress Cigar Company, Inc.:	
Write-down of leaf tobacco inventory at December 31, 1931	[illegible]
Other adjustments	[illegible]
23. Consolidated Cigar Corp.:	
Non-operating charges and prior period adjustments	[illegible]
24. Continental Baking Corp.:	
Adjustment of provision for prior years' federal taxes	[illegible]
Adjustment of amortization of cost of patents applicable to prior years	[illegible]
Reserve for revaluation of capital assets of subsidiary companies	[illegible]
Provision for reducing investment in Corporation's Class "A" Common stock from cost to market value at December 26, 1931	[illegible]
25. Continental Can Company, Inc.:	
Reserve to write down book value of mortgages, securities, etc.	[illegible]
Appropriation for unemployment relief	[illegible]
28. Dennison Manufacturing Co.:	
Unemployment relief and separation allowances paid to employees	[illegible]
Write-down of foreign balances due to governmental abandonments of gold standard	[illegible]

†Red figures.

Exhibit X-94—Continued

[fol. 14262] Surplus Adjustments of 88 Companies, Year 1931

	Debits †Credits
29. Diamond Match Company:	
Miscellaneous surplus adjustments	148,154.36†
30. E. I. du Pont de Nemours & Company:	
Appropriation to adjust book value of patents to nominal amount	5,364,104.61
Adjustment resulting from revaluation of Investment in General Motors Corp.	8,484,037.00
31. Electric Storage Battery Co.:	
Sundry adjustments of income, expenses, etc., applicable to the period prior to January 1, 1931 net	306,594.17
Employees' Pension Fund	100,000.00
32. Endicott-Johnson Corporation:	
Provision for adjustment of federal income taxes of prior years	77,959.77
33. Eureka Vacuum Cleaner Company:	
Provision of allowance to reduce carrying value of marketable securities to indicated market value at December 31, 1931	47,539.29
Provision for anticipated additional expenses in collection of installment accounts, and other expenses in closing branches	225,000.00
Provision for possible loss in disposition of branch furniture and fixtures	117,128.95
34. General Railway Signal Company:	
Appropriation to Reserve for Shrinkage in Value of Marketable Securities	1,625,000.00
Adjustment of fixed assets and depreciation reserves applicable to prior years	364,222.13
Other charges applicable to prior years	12,048.23
35. The Glidden Company:	
Provision to reduce net assets, exclusive of permanent accounts, located in Canada to prevailing rate of exchange at October 31, 1931	53,989.57
36. The B. F. Goodrich Company:	
Sundry adjustments (net) not relating to operations of the current year	289,581.06†
37. The Goodyear Tire & Rubber Company:	
Provision for fluctuation in foreign exchange	3,414,039.54
Write-down of Government securities to market	711,384.29
38. Hudson Motor Car Company:	
Reserve for shrinkage foreign subsidiaries	2,000,000.00
Reserve for special tools	2,000,000.00
Special advertising	1,400,000.00
Rearrangement of plant equipment	632,706.94
39. Ingersoll-Rand Company:	
Adjustment of inventories of certain foreign subsidiary companies in respect to delivery costs previously charged to expense	139,822.16†
Abnormal loss arising from revaluation at current rates of exchange of investment in controlled manufacturing and wholly owned subsidiary companies	466,079.50
Provision for reduction of book value of securities to lower of cost or market, excepting 1932 maturities carried at par	306,614.80
Adjustment of property and reserve accounts in respect of amortization	49,940.50

†Red figures.

Exhibit X-94—Continued

[fol. 14263] Surplus Adjustments of 88 Companies, Year 1931

	Debits †Credits
48. International Cement Corporation:	
Provision for decline in exchange on net current assets in South America and other exchange adjustments	861,886.71
Equipment dismantled, less accrued depreciation	181,844.08
Income taxes and other charges affecting prior years	86,400.11
49. International Harvester Company:	
Reserves from prior years' earnings for decline in market value, etc., released to income	11,000,000.00†
53. The Liquid Carbonic Corporation:	
Adjustment of investment in solid carbonic industry	246,111.77
57. The Mathieson Alkali Works, Inc.:	
Adjustments	59,202.46
58. Motor Wheel Corporation:	
Special provision made against the carrying value of securities as protection against shrinkage in the event of sale	178,189.77
Reserves provided in full against carrying value of patents, royalties, goodwill, etc.	827,779.03
Loss on sale of Jackson, Tennessee plant	57,424.01
59. Nash Motors Company:	
Federal and State income tax reserves of prior years returned to surplus	809,867.00†
Other non-operating credits	102,500.00†
To reduce U. S. Government securities and Treasury stock to basis of cost or market, whichever the lower	671,704.53
To write down Milwaukee machinery and equipment accounts	254,060.75
60. The National Cash Register Company:	
Abnormal losses arising from revaluation of foreign investments at current rates of exchange	551,773.18
Provision for losses on liquidation of inventories of obsolete models	523,643.59
Provision for obligations arising out of contracts with former employees	492,465.68
Leaseholds, improvements, etc., written off	202,236.36
Provision for loss on claims against closed banks	100,000.00
62. The National Supply Company of Delaware:	
Sundry adjustments, etc.	6,812.20†
Additional reserve for bad debts	562,796.28
63. Parke, Davis & Company:	
Transfer to Employees' Pension Fund	115,000.00
66. Radio Corporation of America:	
Write-down of inventories	10,359,000.00
Write-down of investments	1,391,200.00
67. Remington Arms Company, Inc.:	
Adjustments affecting prior years' operations	56,008.57
71. Simmons Company:	
Write-off of entire investment in and uncollected portion of receivables from Berkely and Gay Furniture Company, less operating losses absorbed in prior years	789,544.52
Allowances for possible losses on miscellaneous notes and accounts receivable and investments	436,250.23
Write-down of inactive machinery and equipment of subsidiary	300,000.00
Miscellaneous adjustments applicable to prior years	22,680.51

†Red figures.

Exhibit X-94—Continued

[fol. 14264] Surplus Adjustments of 88 Companies, Year 1931

	Debits †Credits
74. Spicer Manufacturing Corporation:	
Payments in settlement of patent rights	125,000.00
75. Stewart-Warner Corporation:	
Unamortized appreciation arising from appraisal of properties and plant in 1928, now charged off in full	3,528,947.07
Patents and licenses expenditures and experimental and development expenditures on new lines	540,662.28
Provision in respect of Canadian currency depreciation	70,562.85
Additional assessment of taxes for prior years and other items	85,597.17
76. The Studebaker Corporation:	
Adjustment of Studebaker investment in Pierce-Arrow stocks to present book value resulting from revaluation of certain assets of old Pierce Company taken over by new Company for liquidation, and from payment of Pierce dividends, less discount on Pierce stock held in treasury	499,034.24
77. The Timken-Detroit Axle Company:	
Reserve provided to reduce marketable securities to approximate market value	14,467.51
78. The Timken Roller Bearing Company:	
Additional federal income taxes and interest for prior years, less excess provisions for 1930 federal and Canadian income taxes	19,170.70
79. The Torrington Company:	
Tax refunds	134,273.66†
80. Union Carbide and Carbon Corporation:	
Adjustment of fixed asset values	39,794,031.11
Adjustment of power contracts	1,602,621.38
Adjustment of marketable securities to market, December 31, 1931	3,507,199.64
Adjustment of net current assets of foreign companies and revaluation of inventories carried in United States dollars, but located in Canada and other foreign countries on account of decline in exchange	3,455,838.35
Miscellaneous items not affecting 1931 operations	1,188,328.67
81. Ward Baking Corporation:	
Settlements and expenses on claims and taxes applicable to prior years and all expenses arising from special meeting of Stockholders January 26, 1931, and preparation therefor	172,146.13
82. Westinghouse Electric and Manufacturing Company:	
Revaluation of investments in companies not previously consolidated and other miscellaneous items	3,617,373.99
Provision for decline in value of securities	2,054,005.45
83. The Willys-Overland Company:	
Provision for plant, equipment and tool write-off	6,125,488.81
Provision for inventory write-down, commitments, contingencies, etc.	2,683,724.49
Investments in and advances to foreign and domestic affiliated companies written off	2,098,250.79
Extraordinary advertising	864,743.76

†Red figures.

Exhibit X-94—Continued

[fol. 14265] Surplus Adjustments of 88 Companies, Year 1931

		Debits †Credits
	Provision for miscellaneous notes, accounts, advances, etc.	358,770.27
88.	The Yale and Towne Manufacturing Company:	
	Reinstatement of reserve for contingencies	1,000,000.00
	Adjustment of merchandise inventories during year due to declines in reproductive costs	515,[illegible]
	Obsolete manufactured product written off during year due to changes in trade conditions	344,[illegible]
	Adjustment in value of net current assets in foreign countries in conformity with the rates of exchange prevailing at December 31, 1931	195,[illegible]
	Adjustment of investments to market values at December 31, 1931	394,[illegible]

EXHIBIT X-95

Western Electric Company

Comparison of Per Cent of Return on Investment and Per Cent of Net Profit to Sales of Companies Shown on Defendant's Exhibits A185-86-87

	Company	Years 1925-1930 Percentage of average earnings to average investment	Percentage of net profits to sales for 6 year period
	Air Reduction	12.0	21.5
	American Ice	9.2	15.4
	Atlas Powder	7.5	8.8
	Brown Shoe	8.4	5.0
	Caterpillar Tractor	22.1	21.6
	Chrysler	15.5	7.5
	Columbian Carbon	9.4	26.7
	Congress Cigar	24.3	14.9
(A)	Electric Storage Battery	12.8	11.7
	Endicott-Johnson	7.1	5.8
	Eureka Vacuum Cleaner	18.4	10.9
	Fairbanks-Morse	6.0	7.8
	General Electric	10.0	10.7
	General Motors	24.4	16.9
	Glidden	9.9	7.5
	Goodrich	6.2	4.8
	Goodyear	8.5	6.9
	Holland Furnace	13.9	11.1
	Hupp Motor	10.9	5.9
	International Cement	9.4	19.2
	International Shoe	15.1	12.3
	International Silver	5.4	5.3
(A)	Liquid Carbonic	9.7	12.2
	Mack Truck	9.0	11.1
	National Cash Register	12.2	13.8
	National Supply	8.7	23.3
	Procter and Gamble	16.3	9.5

†Red figures.

(A) 1926-1930 only.

[fol. 14366]

Company	Years 1925-1930	
	Percentage of average earnings to average investment	Percentage of net profits to sales for six year period
(B) Purity Bakeries	18.4	10.9
Remington Arms	4.6	7.3
Reo Motors	8.8	4.3
Simmons	7.2	8.6
Spalding, A. G.	8.2	6.0
St. Regis Paper	5.6	16.8
Studebaker	9.9	7.8
(C) U. S. Industrial Alcohol	5.3	3.6
Warren Brothers	12.4	5.8
Westinghouse Electric	7.4	8.2
(B) White Motor	3.6	2.2

(B) 1925-1929 only.
(C) 1925-1928 only.

Per Defendant's Exhibits:

Average of above companies		11.6
Average of above companies and other companies for which Gregory does not schedule sales	12.2	

[fol. 14267]

EXHIBIT X-96

Western Electric Company, Inc.

Ratio of Sales to Average Investment for Year 1927

(Compiled from Poor's Manual)

Name of Company	Land building machinery after depreciation	Merchandise	Receivables	Cash	Current Liabilities	Net average investment after depreciation	Per cent Net profits (before interest deductions) to sales
Air Reduction Co., Inc.	1.82	10.11	7.21	4.61	10.11	1.11	17.80
American Ice Company	.62	14.89	12.87	20.39	13.55	.58	15.85
Caterpillar Tractor Co.	3.20	3.42	5.77	18.73	13.27	1.32	22.46
Columbian Carbon Company	.83	3.08	8.78	6.26	10.01	.59	23.04
International Cement Corporation	.74	5.51	12.61	28.22	9.81	.64	19.24
National Supply Company	1.43	.64	.71	1.76	2.29	.26	36.28
St. Regis Paper Company	1.45	2.59	8.54	11.23	8.84	.86	15.52
Western Electric Company, Inc. (Poor's Manual)	7.56	4.45	6.37	40.15	6.54	2.59	7.62
Western Electric Company, Inc. (Per Defendant's Exhibits):							
Exhibit A-77—Bell Business	8.02	4.01	6.62	39.91	21.99	1.98	
Exhibit A-79—Non-Bell Business	4.87	3.78	8.97	43.22	29.55	1.75	
Total Exhibits A-77 and A-79	7.77	4.00	6.71	40.06	22.27	1.97	

EXHIBIT X-97

Western Electric Company, Inc.

Results Obtained by Apportioning Combined Plant of Two Companies (Selected from Defendant's Exhibit A-85) on the Basis of the Combined Sales, Year 1930

(Dollars in Thousands)

Company	Plant before depreciation	Net sales	Cost of sales	Combined plant apportioned on basis of cost of sales	Variance as compared with individual plant
Chrysler Corporation	$126,767	207,789	183,138	145,256	18,489
Willys-Overland Co	59,937	55,581	52,360	41,448	18,489*
	$186,704	263,370	235,498	186,704	.....
Glidden Company	$18,182	36,434	29,053	25,480	7,298
National Lead Company	63,224	76,712	63,666	55,926	7,298*
	$81,406	113,146	92,719	81,406	.....
American Radiator and Standard Sanitary Corporation	$129,486	108,094	77,336	155,051	25,565
International Cement Corporation	60,761	27,037	17,607	35,196	25,565*
	$190,247	135,131	94,943	190,247	.....
Chrysler Corporation	$126,767	207,789	183,138	170,463	43,696
International Cement Corporation	60,761	27,037	17,607	17,065	43,696*
	$187,528	234,826	200,745	187,528	.....
American Radiator and Standard Sanitary Corporation	$129,486	108,094	77,336	71,381	58,105*
Procter & Gamble Co	67,700	192,352	136,384	125,805	58,105
	$197,186	300,446	213,720	197,186	.....

*Red figures.

EXHIBIT X-99

American Telephone and Telegraph Company

Investment in Western Electric Company Common Stock (New York Corporation)

Year	Additions		Balance at end of year	Average investment for year	Dividends received	% Return on average investment
	Date	Amount				
1915	11/17	$6,729,710	6,729,710		584,200	
1916			6,729,710	6,729,710	1,168,400	17.36
1917			6,729,710	6,729,710	1,168,400	17.36
1918	2/20	162,968	6,892,678	6,869,907	1,467,550	21.36
1919	3/29	10,000				
	7/11	200				
	10/7	4,019				
	10/23	3,026	6,909,923	6,901,870	1,468,000	21.27
1920	3/4	35,396,593				
	3/4	2,921,000*				
	4/3	1,710				
	5/29	380				
	6/22	4,100	39,391,706	33,783,796	2,943,095	8.71
1921	3/30	4,500				
	11/23	3,120	39,399,326	39,395,442	3,434,908	8.72
1922	6/9	62,530				
	12/30	14,763,734	54,225,590	39,474,893	3,437,625	8.71
1923	3/9	9,250				
	10/24	2,520	54,237,360	54,233,586	4,914,355	9.06
1924			54,237,360	54,237,360	4,914,460	9.06
1925	3/9	7,740				
	3/11	30,420				
	10/16	5,250				
	12/26	258*	54,280,512	54,269,334	5,531,238	10.19
1926			54,280,512	54,280,512	7,375,210	13.59
					7,375,210	13.59
1927			54,280,512	54,280,512	47,938,865(A)	88.32
1928	12/31	9,833,712	64,114,224	54,280,512	11,062,815	20.38
1929	5/31	19,667,478				
	12/2	29,801,469	113,283,171	77,989,245	28,109,030	20.63
1930	3/31	29,616,585	142,872,105	128,529,464	29,864,143	19.87

(A) Special non-recurring dividend

9906

[fols. 14270-14296] EXHIBIT No. X-100

American Telephone and Telegraph Company

Monthly High, Low, and Average Price of Common Stock, 1931

(Per New York Stock Exchange Quotations)

Month	High	Low
January	190¼	176½
February	201¾	185¼
March	199¾	187½
April	190½	176⅛
May	185	162⅜
June	184¾	156½
July	184⅜	169
August	176⅜	164¼
September	172⅛	130½
October	142⅞	121⅛
November	147	124½
December	131¾	112⅛

Monthly average—165½.
Dividend paid—$9 per share.
Yield—5.4%.

[fol. 14297] EXHIBIT X-109

American Telephone and Telegraph Company

Computation of Annual Cost of Furnishing Telephone Instruments to Chicago Division of Illinois Bell Telephone Company, Year Ended December 31, 1923

	Totals all Licensees	Illinois Bell Telephone Company, Chicago Division
Average Stations in Service:		
All Licensees, using telephone instruments of A. T. & T. Co	10,030,484	
Illinois Bell Telephone Co.—Chicago Division		660,927
Per cent, Chicago Division of all Licensees		6.589%
Average Investment in Telephone Instruments (Chi. Div. 6.589%)	$31,329,013	$2,064,269
Average Depreciation Reserve (Chi. Div. 6.589%)	14,971,542	986,475
Average Investment in Telephone Instruments, Less Average Depreciation Reserve	16,357,471	1,077,794
Return on Average Investment in Telephone Instruments, less Average Depreciation:		
Reserve at 6.87% (a)		74,044(b)
Repairs (Chicago Division 6.589%)	1,086,422	71,584
Depreciation Expense (Chicago Div. 6.589%)	2,133,172	140,555
Taxes (actual)		54,720
Insurance & Contingencies (2% of Average Fund Capital, Less Average Depreciation Reserve)		21,556
Total Annual Cost of Furnishing Instruments		$362,459

(a) Annual cost of funds.
(b) Return on average investment in telephone instruments (before deducting depreciation) amounts to $141,815.

EXHIBIT X-110

Illinois Bell Telephone Company, Chicago Division

Comparison of Company's Tabulation (R. 1038) of Annual Cost of Furnishing Telephone Instruments with Commission Accountants' Computation (as per sheet attached) of Annual Cost of Furnishing Telephone Instruments for the Year Ended December 31, 1923

[fol. 14298]

	Company's tabulation (Record, Vol. III, p. 1038)	Commission accountants' computation (as per sheet following)	Excess of company's tabulation over Commission accountants' computation	
			Amount	Per cent
Average Investment in Telephone Instruments	$3,494,271	$2,064,269	$1,430,002	69.2
Average Depreciation Reserve	.....	986,475	986,475*	.....
Average Investment in Telephone Instruments, Less Average Depreciation Reserve	$3,494,271	1,077,794	2,416,477	224.2
Return on Average Investment in Telephone Instruments	279,542	(a)	.....	.....
Return on Average Investment in Telephone Instruments, Less Average Depreciation Reserve (b)	.....	74,044	205,498	360.2
Repairs	65,929	71,584	5,655*	8.7
Depreciation	230,754	140,555	90,199	64.1
Taxes	62,897	54,720	8,177	14.9
Insurance and Contingencies	69,885	21,556	48,329	224.2
Total Annual Cost of Furnishing Tel. Instruments	709,007	362,459	346,548	95.6
Average Cost of Furnishing Instruments per Telephone Station in Service	1.07	.55	.52	
Average Investment in Tel. Instruments per Telephone Station in Service	5.29	3.12	2.17	
Average Investment in Tel. Instruments, Less Average Depreciation Reserve, Per Tel. Station in Service	....	1.63	3.66	

* Red Figures (Excess of Commission Accountants' Computation over Co. Tabulation).

(a) The return on Average Investment in telephone instruments, before deducting depreciation, is $141,815.

(b) "Return on Average Fixed Capital Less Average Depreciation Reserve" was computed for the purpose of this exhibit at the rate of 6.87%; this percentage is represented by the A. T. & T. Co. to have been the rate paid by it on funds used in its business in the year 1923 which were derived from its funded and other indebtedness and from its capital and surplus. Such cost of funds includes dividends at the rate of 9% per annum.

[cl. 14299]

EXHIBIT X-111

American Telephone and Telegraph Company

Amount of Return on Investment in Telephone Instruments Shown by Company's Tabulation (Record 1098) Related to Amount of Investment in Telephone Instruments Shown by Commission Accountants' Computation During Year Ended December 31, 1923

(1) Average investment in telephone instruments, less depreciation	$1,077,794
(2) Return on average investment at rate of cost of funds (6.87%)	$74,044
(3) Additional profit to A. T. & T. Co., to corporate surplus	346,548
(4) Total return	$429,592
(5) Per cent of return on investment (item 4 to item 1)	39.02%
(6) Per cent of return on investment expressed in per cent of return to A. T. & T. Co. stockholders on their average capital stock investment	59.53%

[fol. 14300]

EXHIBIT X-112

American Telephone and Telegraph Company

Per Cent of Return on Investment in Telephone Instruments Used by Illinois Bell Telephone Company, Chicago Division, per Exhibit A-200 "Fair Allowance for Telephone Instruments in Chicago Division (Exhibit A-163), Less Costs Already Included in *** (Costs Shown in Exhibit A-170)" During Years 1923 to 1927, Inclusive.

Item	Reference	Year Ended Dec. 31, 1923	Year Ended Dec. 31 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927
(1) Net Investment in Telephone Instruments—A. T. & T. Co.	A-166	$16,318,631	$18,920,431	$20,985,998	$23,098,337	$22,407,037
(2) Investment Allocated to Long Lines	A-166	9,791	11,352	10,493	11,549	13,444
(3) Investment—Associated Companies	A-166	$16,308,840	$18,909,079	$20,975,505	$23,086,788	$22,393,593
(4) Investment Allocated to Chicago Division	A-166	1,076,383	1,229,090	1,363,408	1,500,641	1,477,977
(5) Return on Investment—Chicago Division	A-166	73,948	84,193	94,484	102,494	101,389
(6) Per Cent of Return on Investment—Chicago Division.	A-166 (a)	6.87%	6.85%	6.93%	6.83%	6.86%
(7) Additional Return on Investment—Chicago Division, included in A-200 as part of the fair allowance on telephone instruments	A-200 (b)	145,625	171,477	180,952	172,674	154,474
(8) Per Cent of Additional Return on Investment—Chicago Division (Item 7 divided by Item 4)	.....	13.53%	13.95%	13.27%	11.51%	10.45%
(9) Total Return on Investment—Chicago Division, Asked by Plaintiff (Item 5 plus Item 7)	.....	219,573	255,670	275,436	275,168	255,863
(10) Per Cent of Total Return on Investment—Chicago Division, Asked by Plaintiff (Item 9 divided by Item 4)	.....	20.40%	20.80%	20.20%	18.34%	17.31%
(11) Per Cent of Total Return on Investment—Chicago Division, Converted to Average Return to A. T. & T. Co. Stockholders on Their Proportionate Investment in Capital Stock	.....	30.13%	31.20%	30.71%	27.68%	25.65%

(a) Agrees with Plaintiff's Exhibit A-164—Cost of Funds Used in Business.
(b) Total shown by Exhibit A-163 less amounts shown for Chicago Division on Exhibits A-162 and A-166.

[fol. 14301]

EXHIBIT X-121

American Telephone and Telegraph Company

Percentage Relationship of Book Value of Investment in Telephone Instruments to Depreciation Reserve for Telephone Instruments, Compared with per cent of Depreciation Deducted from Book Cost or Current Value New as the Basis for Sale to Long Lines and to Licensee Companies as of December 31, 1927.

Equipment Sold to	Book Cost	Reserve For Accrued Depreciation	Book Cost Less Reserve For Accrued Depreciation	Per Cent of Reserve For Accrued Depreciation To Book Cost
Long Lines	$35,893	$17,728	$18,165	49.39%
Licensee Companies	46,583,314	22,795,386	23,787,928	48.93%

Basis For Sale to	Book Cost	Depreciation Deducted	Sale Price	Per Cent of Depreciation Deducted From Book Value
Long Lines	$35,893	$17,728	$18,165	49.39%

Basis for Sale to	Current Val. New	Depreciation Deducted	Sale Price	Per Cent Of Depreciation Deducted From Current Value New
Licensee Companies	47,729,659(a)	9,545,932(b)	38,183,727	20.00%
Profit on Sale to				Amount
Long Lines				
Licensee Companies:				
Appreciation of Plant (Net)			$917,076	
Clearance of Depreciation Reserve			13,478,723	$14,395,799

(a) Appreciation (Current Value New Less Book Cost)—$1,146,345.
(b) Depreciation applicable to amount of appreciation only at 20% would be $229,269. Depreciation applicable to the book cost at 20% would be $9,316,663. The difference between the book cost and the sale price is $8,399,587, which amounts to a deduction of 18.03% from the book cost.

[Exhibit No. 14302]

EXHIBIT X-148

American Telephone and Telegraph Company

Separation of the License Payments of Illinois Bell Telephone Company, Chicago Division, of Other Licensee Companies (Including Illinois Bell Telephone Company, Exclusive of Chicago Division) and of Long Lines Department into Component Part of Cost and Profit Based on Plaintiff's Exhibit A-170 and Underlying Exhibits Referred to Therein During Years 1923 to 1931, Inclusive

	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930	Year Ended Dec. 31, 1931
Illinois Bell Telephone Company—Chicago Division:									
(1) License Payment	$1,724,251	$1,860,438	$1,987,535	$1,935,878	$2,085,720	$1,104,893	$931,296	$968,222	$931,652
(2) Loss On Loans (Temporary Financing)	.....	.....	.....	.....	.....	.....	.....	.....	.....
(3) Balance	1,725,251	1,860,438	1,987,535	1,935,878	2,085,720	1,104,893	931,296	968,222	931,652
(4) Loss On Holding Funds Available for Cash Requirements	97,797	111,178	170,576	161,078	146,374	150,395	44,003	176,497	146,965
(5) Balance	1,626,454	1,749,260	1,816,959	1,774,890	1,939,346	954,498	887,293	791,725	784,687
(6) Cost of Furnishing Telephone Instruments	327,965	378,626	433,185	425,880	445,618	.....	.....	.....	.....
(7) Balance	1,298,489	1,370,634	1,383,774	1,348,920	1,493,728	954,498	887,293	791,725	784,687
(8) Cost of Other Services	786,618	804,982	863,921	945,063	1,008,746	987,332	1,047,691	1,220,008	1,137,913
(9) Balance Available for Additional Return to A. T. & T. Co. (b)	511,871	565,652	519,853	403,857	484,982	32,834*	160,398*	428,283*	353,226*
Other Licensee Companies (a):									
(1) License Payment	22,586,117	24,924,054	28,209,679	27,914,430	30,368,931	16,517,472	13,524,292	14,057,668	13,786,709
(2) Loss On Loans (Temporary Financing)	1,535,913	2,260,603	2,606,279	2,095,365	1,839,609	1,051,430	2,452,536	1,137,450	1,709,528
(3) Balance	21,049,204	22,663,451	25,603,400	25,819,065	28,529,322	15,466,042	11,071,756	12,920,218	12,077,181
(4) Loss on Holding Funds Available for Cash Requirements	2,176,557	2,415,593	3,109,740	2,715,307	2,140,720	2,163,372	854,012	3,284,224	2,979,941
(5) Balance	18,872,647	20,247,858	22,493,660	23,103,758	26,388,602	13,302,670	10,217,744	9,635,994	9,097,240
(6) Cost of Furnishing Telephone Instruments	4,170,618	4,819,599	5,488,891	6,119,261	6,322,601	.....	.....	.....	.....
(7) Balance	14,702,029	15,428,259	17,004,769	16,984,497	20,066,001	13,302,670	10,217,744	9,635,994	9,097,240
(8) Cost of Other Services	11,500,804	12,691,173	13,883,575	15,068,684	16,383,155	16,015,262	17,040,605	20,432,398	19,366,058
(9) Balance Available for Additional Return to A. T. & T. Co. (b)	3,201,225	2,737,086	3,121,194	1,915,808	3,682,846	2,712,592*	6,822,861*	10,796,404*	10,268,818*
Long Lines Department:									
(1) License Payment	1,592,181	1,593,209	1,768,414	1,696,400	1,788,032	1,581,797	1,422,935	1,485,249	1,417,094
(2) Loss on Loans (Temporary Financing)	.....	.....	.....	.....	.....	.....	.....	.....	.....
(3) Balance	1,592,181	1,593,209	1,768,414	1,696,400	1,788,032	1,581,797	1,422,935	1,485,249	1,417,094
(4) Loss on Holding Funds Available for Cash Requirements	150,330	147,061	187,248	246,726	245,679	324,508	162,215	658,824	538,869
(5) Balance	1,441,851	1,446,148	1,581,166	1,449,674	1,542,353	1,257,289	1,260,720	796,425	878,225
(6) Cost of Furnishing Telephone Instruments	2,605	3,010	2,858	3,266	4,053	.....	.....	.....	.....
(7) Balance	1,439,246	1,443,138	1,578,306	1,446,408	1,538,300	1,257,289	1,260,720	796,425	878,225
(8) Cost of Other Services	815,186	832,167	805,158	891,930	1,045,934	1,129,613	1,349,343	1,849,819	1,790,256
(9) Balance Available for Additional Return to A. T. & T. Co. (b)	624,060	610,971	773,150	554,478	492,366	127,676	88,623*	1,053,394*	912,031*
Totals:									
(1) License Payments	25,901,549	28,377,701	31,965,628	31,546,708	34,242,683	19,204,162	15,878,523	16,511,139	16,135,455
(2) Losses on Loans (Temporary Financing)	1,335,913	2,260,603	2,606,279	2,093,365	1,839,609	1,051,430	2,452,536	1,137,450	1,709,528
(3) Balance	24,365,636	26,117,098	29,359,349	29,451,343	32,403,074	18,152,732	13,425,987	15,373,689	14,425,927
(4) Losses on Holding Funds Available for Cash Requirements	2,424,684	2,673,832	3,467,564	3,123,111	2,532,773	2,638,275	1,060,230	4,149,545	3,665,775
	21,940,952	23,443,266	25,891,785	26,328,232	29,980,301	15,514,457	12,365,757	11,224,144	10,760,152

	1,725,251	1,860,438	1,987,535	1,935,878	2,085,720	1,104,893	931,296	968,222	931,652
Loss On Holding Funds Available for Cash Requirements	97,797	111,178	170,576	161,078	146,374	150,395	44,003	176,497	146,965
(5) Balance	1,626,454	1,749,260	1,816,959	1,774,890	1,939,346	954,498	887,293	791,725	784,687
(6) Cost of Furnishing Telephone Instruments	327,965	378,626	433,185	425,880	445,618	.....	.....	.....	.....
(7) Balance	1,298,489	1,370,634	1,383,774	1,348,920	1,493,728	954,498	887,293	791,725	784,687
(8) Cost of Other Services	786,618	804,982	863,921	945,063	1,008,746	987,332	1,047,691	1,220,008	1,137,913
(9) Balance Available for Additional Return to A. T. & T. Co. (b)	511,871	565,652	519,853	403,857	484,982	32,834*	160,398*	428,283*	353,226*
Other Licensee Companies (a):									
(1) License Payment	22,586,117	24,924,054	28,209,679	27,914,430	30,368,931	16,517,472	13,524,292	14,057,668	13,786,709
(2) Loss On Loans (Tempora[illegible] Financing)	1,535,913	2,260,603	2,606,279	2,095,365	1,839,609	1,051,430	2,452,536	1,137,450	1,709,528
(3) Balance	21,049,204	22,663,451	25,603,400	25,819,065	28,529,322	15,466,042	11,071,756	12,920,218	12,077,181
(4) Loss on Holding Funds Available for Cash Requirements	2,176,557	2,415,593	3,109,740	2,715,307	2,140,720	2,163,372	854,012	3,284,224	2,979,941
(5) Balance	18,872,647	20,247,858	22,493,660	23,103,758	26,388,602	13,302,670	10,217,744	9,635,994	9,097,240
(6) Cost of Furnishing Telephone Instruments	4,170,618	4,819,599	5,488,891	6,119,261	6,322,601	.....	.....	.....	.....
(7) Balance	14,702,029	15,428,259	17,004,769	16,984,497	20,066,001	13,302,670	10,217,744	9,635,994	9,097,240
(8) Cost of Other Services	11,500,804	12,691,173	13,883,575	15,068,684	16,383,155	16,015,262	17,040,605	20,432,398	19,366,058
(9) Balance Available for Additional Return to A. T. & T. Co. (b)	3,201,225	2,737,086	3,121,194	1,915,808	3,682,846	2,712,592*	6,822,861*	10,796,404*	10,268,818*
Long Lines Department:									
(1) License Payment	1,592,181	1,593,209	1,768,414	1,696,400	1,788,032	1,581,797	1,422,935	1,485,249	1,417,094
(2) Loss on Loans (Temporary Financing)	.....	.....	.....	.....	.....	.....	.....	.....	.....
(3) Balance	1,592,181	1,593,209	1,768,414	1,696,400	1,788,032	1,581,797	1,422,935	1,485,249	1,417,094
(4) Loss on Holding Funds Available for Cash Requirements	150,330	147,061	187,248	246,726	245,679	324,508	162,215	688,824	538,869
(5) Balance	1,441,851	1,446,148	1,581,166	1,449,674	1,542,353	1,257,289	1,260,720	796,425	878,225
(6) Cost of Furnishing Telephone Instruments	2,605	3,010	2,858	3,266	4,053	.....	.....	.....	.....
(7) Balance	1,439,246	1,443,138	1,578,306	1,446,408	1,538,300	1,257,289	1,260,720	796,425	878,225
(8) Cost of Other Services	815,186	832,167	805,158	891,930	1,045,934	1,129,613	1,349,343	1,849,819	1,790,256
(9) Balance Available for Additional Return to A. T. & T. Co. (b)	624,060	610,971	773,150	554,478	492,366	127,676	88,623*	1,053,394*	912,031*
Totals:									
(1) License Payments	25,901,549	28,377,701	31,965,628	31,546,708	34,242,683	19,204,162	15,878,523	16,511,139	16,135,455
(2) Losses on Loans (Temporary Financing)	1,335,913	2,260,603	2,606,279	2,093,365	1,839,609	1,051,430	2,452,536	1,137,450	1,709,528
(3) Balance	24,365,636	26,117,098	29,359,349	29,451,343	32,403,074	18,152,732	13,425,987	15,373,689	14,425,927
(4) Losses on Holding Funds Available for Cash Requirements	2,424,684	2,673,832	3,467,564	3,123,111	2,532,773	2,638,275	1,060,230	4,149,545	3,665,775
(5) Balance	21,940,952	23,443,266	25,891,785	26,328,232	29,980,301	15,514,457	12,365,757	11,224,144	10,760,152
(6) Cost of Furnishing Telephone Instruments	4,501,188	5,201,235	5,924,934	6,548,407	6,772,272	.....	.....	.....	.....
(7) Balance	17,439,764	18,242,031	19,966,851	19,779,825	23,098,029	15,514,457	12,365,757	11,224,144	10,760,152
(8) Cost of Other Services	13,102,608	14,328,322	15,552,654	16,905,682	18,437,835	18,132,207	19,437,639	23,502,225	22,294,227
(9) Balance Available for Additional Return to A. T. & T. Co. (b)	4,337,156	3,913,709	4,414,197	2,874,143	4,660,194	2,617,750*	7,071,882*	12,278,081*	11,534,075*

* —Red Figures.

(a)—Including Illinois Bell Telephone Company, exclusive of Chicago Division.

(b)—"Balance Available For Additional Return to A. T. & T. Co." (Item 9) is the amount carried to corporate surplus of the A. T. & T. Co. from the license payment, after deducting the allocated proportion of the total amount claimed by the A. T. & T. Co. to have been the cost of furnishing all license contract services. The cost of funds included in such total costs is the amount which the A. T. & T. Co. represents to be the amount paid by it currently on funds and other indebtedness, and from its capital and surplus. The cost of the funds includes dividends paid by the A. T. & T. Co. at the rate of 8% for the year 1920 and for the first six months of 1921 and at the rate of 9% thereafter.

FORM E. 26, 1931 ed (1)
This Copy for
Mr. F. E. Barton

EXTRACTS FROM EXHIBIT X-192
ASSOCIATED OPERATING COMPANIES

MONTHLY REPORT No. 1.

(Louisiana American Tel. and Tel. Co., Long Lines Dept.)
Name of Company.

CR 51 A

CONDENSED SUMMARY OF REPORTS FOR D E C E M B E R, 1931.

(The figures on this report are not arranged in exact accordance with the book accounts prescribed by the Interstate Commerce Commission and this fact should be recognized in using or quoting them.)

	BALANCE SHEET	a At End of Month	b Increase over Last Month	Increase over Dec. 31 Last: c Amount	Increase over Dec. 31 Last: d Percent	
	ASSETS					
1	Intangible Capital	13 154 993	243 753	170 911	1 3	1
2	Plant	3 682 455 044	3 503 839	137 053 591	3 9	2
3	Construction Work in Progress	63 992 725	2 483 555	10 339 497	13 9	3
4	General Equipment	67 153 655	419 129	3 621 093	5 1	4
5	Materials and Supplies	15 971 421	983 624	2 801 121	14 9	5
6	Investments	98 964 815	1 367 244	7 723 715	8 5	6
7	Cash and Deposits and Temporary Investments	35 061 779	598 762	4 803 568	15 9	7
8	Receivables, etc.	153 485 469	1 751 191	720 230	5	8
9	**Total**	4 130 241 881	1 821 213	131 927 820	3 3	9
	LIABILITIES					
10	Common Stock (Including Installments $ 0)	1 954 278 000	0	176 392 800	9 9	10
11	Preferred Stock	162 033 300	0	28 222 847	14 8	11
12	Funded Debt	498 955 925	577 085	72 240 802	12 6	12
13	Advances from System Corporations	313 341 444	26 509 982	6 532 496	2 0	13
14	Bills Payable	89 138 070	7 480 426	16 679 988	23 0	14
15	**Total Capital Obligations**	3 017 746 739	35 413 321	86 076 643	2 9	15
16	Other Payables, etc.	154 061 462	29 239 446	3 860 610	2 6	16
17	Reserves for Depreciation	724 156 807	1 189 506	42 297 581	6 2	17
18	Surplus	234 276 873	1 163 156	307 014	1	18
19	**Total**	4 130 241 881	1 821 213	131 927 820	3 3	19

	EARNINGS AND EXPENSES	e This Month	f Increase over Last Month	g Increase over Same Month Last Year	h 12 Months This Year	Increase over Same Period Last Year: i Amount	Increase over Same Period Last Year: j Percent	
20	Exchange Revenues	60 743 277	944 768	1 221 307	725 423 909	5 691 046	8	20
21	Toll Revenues	18 899 850	527 565	1 996 511	239 831 733	16 122 060	6 3	21
22	Miscellaneous Operating Revenues	2 615 909	50 383	111 788	31 557 984	45 561	1	22
23	**Total Telephone Revenues**	82 259 036	1 522 716	3 329 606	996 813 626	21 858 667	2 1	23
24	Traffic Expenses	15 007 200	410 911	1 992 199	186 073 687	22 754 214	10 9	24
25	Commercial Expenses	8 823 888	215 590	36 006	100 732 954	2 664 397	2 6	25
26	General and Miscellaneous Expenses	3 891 492	209 244	22 971	45 397 981	1 124 300	2 5	26
27	Other Operation Expenses	3 262 473	48 532	515 656	39 636 145	248 025	6	27
28	**Total Operation Expenses**	30 985 053	785 213	2 448 878	371 840 767	24 542 336	6 2	28
29	Current Maintenance	15 134 333	1 783 638	1 054 008	164 338 102	11 504 622	6 5	29
30	Depreciation	14 709 712	16 519	382 327	173 832 644	8 567 791	5 2	30
31	Taxes	6 320 859	439 729	288 601	84 990 249	3 120 710	3 8	31
32	**Total Telephone Expenses**	67 149 957	2 145 641	2 851 958	795 001 762	24 349 457	3 0	32
33	**Net Telephone Earnings**	15 109 079	622 925	497 648	201 811 864	2 490 790	1 2	33
34	Sundry Net Earnings	1 118 765	315 617	83 701	11 795 843	173 004	1 4	34
35	**Total Net Earnings**	16 227 844	307 308	581 349	213 607 707	2 317 786	1 1	35
36	Interest Deductions	4 058 951	23 014	323 867	48 852 211	2 814 563	5 4	36
37	**Balance Net Profits**	12 168 893	330 322	257 482	164 755 496	5 132 349	3 2	37
38	Dividends* (Preferred %	855 903		164 634	10 270 736	1 975 703	16 1	38
39	(Common %	12 262 951	2	1 292 778	145 087 986	16 425 407	12 8	39
40	**Total Dividends**	13 118 854	1	1 128 144	155 358 722	14 449 704	10 3	40
41	**Undivided Profits**	949 961	330 321	1 385 626	9 396 774	9 317 355	49 8	41

	PERCENTAGES. (Annual Basis)	k This Month	l Last Month	m Same Month Last Year	n 12 Months This Year	o Same Period Last Year	
42	Total Tel. Rev. (Excl. Misc. & Int.) to Av. Plant in Service	26.28 %	25.82 %	28.45 %	26.98 %	29.89 %	42
43	Operation Expenses to Telephone Revenues	37.67 %	37.41 %	39.06 %	37.30 %	38.91 %	43
44	Telephone Expenses to Telephone Revenues	81.63 %	80.51 %	81.77 %	79.75 %	80.43 %	44
45	Current Maintenance to Average Plant in Service	4.93 %	4.36 %	5.49 %	4.54 %	5.16 %	45
46	Depreciation to Average Plant in Service (Incl. Office Fur. & Fix.)	4.75 %	4.75 %	4.82 %	4.76 %	4.81 %	46
47	Net Telephone Earnings to Average Plant in Service	4.93 %	5.14 %	5.30 %	5.58 %	5.85 %	47
48	Bal. Net Prof. (after Pref. Dividend) to Av. Com. Stock	6.95 %	7.15 %	7.70 %	8.02 %	8.68 %	48

*On monthly accrual basis.

Date issued January 30, 1932.
Should be issued not later than 20th.

C. A. Heiss
Comptroller.

14303

90624

EXTRACTS FROM EXHIBIT X-193
AMERICAN TELEPHONE AND TELEGRAPH COMPANY

EARNINGS ON CAPITAL STOCK

P 1

Per Cent on Capital Stock (4 Items)

	1918	1919	1920	1921	1922	1923
Dividends from Associated Oper. Cos.	6.35	6.76	6.96	7.06	6.82	6.60
Proportion of Associated Operating Cos.' Undivided Profits	*.44	*.68	*2.42	1.36	1.91	1.27
Interest from Associated Operating Cos.	1.44	2.05	2.68	2.60	1.64	1.14
4-1/2%	2.91	3.34	3.96	4.07	3.62	3.30
Long Lines Net	1.84	2.82	3.43	3.04	2.92	2.51
Dividends Bell of Canada and Western Electric Company, Inc.	.86	.86	.91	.83	.72	.82
Other Revenue	.41	.55	.50	.41	.36	.87
Total	13.37	15.70	16.02	19.37	18.19	16.51
Total Expenses	1.46	*1.73	2.26	2.78	2.47	2.00
Interest	2.37	3.58	4.22	3.99	2.60	1.89
Net	9.54	10.39	9.54	12.63	13.12	12.62
Less Proportion of Associated Oper. Cos.' Undivided Profits	*.44	*.68	*2.42	1.36	1.91	1.27
Actual	9.98	11.07	11.96	11.27	11.21	11.38

Assuming that Expenses of American Telephone and Telegraph Company, General Department are paid from the 4-1/2%, the 9% dividend (8% prior to June, 1921) is derived from the following sources.

	Per Cent Earned on Capital Stock					
	1918	1919	1920	1921	1922	1923
From Dividends from Associated Oper. Cos.	51.42	46.14	43.02	46.26	49.36	49.85
From Interest from Associated Oper. Cos.	11.68	13.99	16.56	17.04	11.87	8.61
From 4-1/2 per cent (less expenses)	11.69	*10.99	10.51	8.68	8.33	9.82
From Long Lines Department Net	14.92	19.25	21.20	19.92	21.15	18.96
From Dividends from Bell T. Co. of Canada and Western Electric Company, Inc.	6.97	5.88	5.62	5.44	-5.21	6.19
From Other Revenue	3.33	3.75	3.09	2.69	4.06	6.57
Total	100.00	100.00	100.00	100.00	100.00	100.00

ASSOCIATED OPERATING COMPANIES
(Excludes American Tel.and Tel.Co., Long Lines Dept.)

	% Net Telephone Earnings to Plant	% Net Telephone Earnings to Depreciated Plant	Balance Net Profit (after Pref. Dividend) to Average Common Stock
1918	4.47	5.37	6.08
1919	4.37	5.39	5.83
1920	3.78	4.92	4.66
1921	5.32	6.97	8.15
1922	5.69	7.49	8.74
1923	5.36	7.04	8.34

* Excludes $1,882,180 Central Union Item.
* Red figures

Date issued - February 7, 1924.

C. A. Heise,
Comptroller

9065

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

EARNINGS ON CAPITAL STOCK

X-193 P. 2

Per Cent on Capital Stock

	1919	1920	1921	1922	1923	1924
Dividends from Associated Operating Companies	6.76	6.96	7.06	6.82	6.60	7.07
Proportion of Associated Operating Companies' Undivided Profits	**.68	**2.42	1.36	1.91	1.27	.61
Interest from Associated Operating Companies 4-1/2%	2.05	2.68	2.60	1.64	1.14	1.32
Long Lines Net	3.34	3.96	4.07	3.62	3.30	3.25
Dividends Bell of Canada and Western Electric Company, Inc.	2.82	3.43	3.04	2.92	2.51	2.30
Other Revenue	.86	.91	.83	.72	.82	.74
Total	.55	.50	.41	.56	.87	.71
Total Expenses	15.70	16.02	19.37	18.19	16.51	16.00
Interest	* 1.78	2.26	2.75	2.47	2.00	2.03
Net	3.58	4.22	3.99	2.60	1.89	2.05
Less Proportion of Associated Operating Companies' Undivided Profits	10.39	9.54	12.63	13.12	12.62	11.92
Actual	**.68	**2.42	1.36	1.91	1.27	.61
	11.07	11.96	11.27	11.21	11.35	11.31

Assuming that Expenses of American Telephone and Telegraph Company, General Department are paid from the 4-1/2%, the 9% Dividend (8% prior to June, 1921) is derived from the following sources.

	Per Cent Earned on Capital Stock					
	1919	1920	1921	1922	1923	1924
From Dividends from Associated Operating Cos.	46.14	43.02	46.26	49.38	49.85	52.92
From Interest from Associated Operating Cos.	13.99	16.56	17.04	11.87	8.61	9.88
From 4-1/2% (less expenses)	*10.99	10.51	8.65	8.33	9.82	9.13
From Long Lines Department Net	19.25	21.20	19.92	21.15	18.96	17.22
From Dividends from Bell Tel.Co. of Canada and Western Electric Company, Inc.	5.88	5.62	5.44	5.21	6.19	5.54
From Other Revenue	3.75	3.09	2.69	4.06	6.57	5.31
Total	100.00	100.00	100.00	100.00	100.00	100.00

ASSOCIATED OPERATING COMPANIES
(Excludes American Tel.and Tel.Co., Long Lines Dept.)

	% Net Telephone Earnings to Average Plant in Service	Balance Net Profit (after Pref. Dividend) to Average Common Stock
1919	4.37	5.83
1920	3.78	4.64
1921	5.32	8.15
1923	5.69	8.74
1924	5.36	8.34
	5.32	7.93

* Excludes $1,552,150 Central Union Item.

** Red figures

Date issued - February 5, 1925.

C. A. Heise,
Comptroller.

14305

9066

This Copy for
Mr. _____

X-193
P.7

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
EARNINGS ON CAPITAL STOCK

Per Cent on Capital Stock

	1924	1925	1926	1927	1928	1929
Dividends from Associated Operating Cos.	7.07	7.49	8.45	8.30	8.98	8.71
Proportion of Associated Operating Companies' Undivided Profits	.61	1.80	2.31	1.94	2.53	2.46
Interest from Associated Operating Cos.	1.32	1.55	1.04	1.16	.89	1.15
Licensee Revenue	3.33	3.31	3.05	2.97	1.49	1.10
Long Lines Net	2.30	2.48	2.31	2.11	2.51	2.51
Dividends Bell Tel. Co. of Canada and Western Electric Company, Inc.	74	.74	.88	.79	1.05	1.88
Other Revenue	.63	.61	.51	.37	.46	.66
Total	16.00	17.98	18.55	17.64	17.91	18.47
Total Expenses	2.03	2.02	2.06	1.95	1.41	1.27
Interest	2.05	2.37	2.23	1.99	1.86	2.07
Net	11.92	13.59	14.26	13.70	14.64	15.13
Less Proportion of Associated Operating Companies' Undivided Profits	.61	1.80	2.31	1.94	2.53	2.46
Actual	11.31	11.79	11.95	11.76	12.11	12.67

Assuming that Expenses of American Telephone and Telegraph Company, General Department are paid from Licensee Revenue, the 9% Dividend is derived from the following sources.

Per Cent

	1924	1925	1926	1927	1928	1929
From Dividends from Associated Oper. Cos.	52.92	52.89	59.61	60.36	64.26	59.12
From Interest from Associated Oper. Cos.	9.88	10.98	7.36	8.42	6.35	7.79
Licensee Revenue (less Expenses)	9.73	9.12	6.98	7.42	.57	1.17
From Long Lines Department Net	17.22	17.48	16.24	15.38	17.98	17.05
From Dividends from Bell Tel.Co. of Canada and Western Electric Company, Inc.	5.54	5.26	6.21	5.74	7.53	12.72
From Other Revenue	4.71	4.27	3.60	2.68	3.31	4.49
Total	100.00	100.00	100.00	100.00	100.00	100.00

ASSOCIATED OPERATING COMPANIES
(Excludes American Tel. and Tel. Co., Long Lines Dept.)

	% Net Telephone Earnings to Average Plant in Service	Balance Net Profits (after Prof. Dividend) to Average Common Stock
1924	5.32	7.93
1925	5.94	9.23
1926	6.28	9.88
1927	6.13	9.63
1928	6.47	10.19
1929	6.52	10.21

Date issued - January 29, 1930.

C. A. Heiss,
Comptroller.

14306

2906

This Copy for
Mr. _____

X-193
p. 9

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
EARNINGS ON CAPITAL STOCK

Per Cent on Capital Stock

	1927	1928	1929	1930	1931
Dividends from Associated Operating Cos.	8.30	8.98	8.71	7.79	7.50
Proportion of Associated Operating Companies' Undivided Profits	1.94	2.53	2.46	1.08	.46
Interest from Associated Operating Cos.	1.16	.89	1.15	1.09	.78
Licensee Revenue	2.97	1.49	1.10	.95	.80
Long Lines Net	2.11	2.51	2.51	1.95	1.56
Dividends Bell Tel. Co. of Canada and Western Electric Company, Inc.	.79	1.05	1.68	1.54	.64
Other Revenue	.37	.46	.66	.66	.64
Total	17.64	17.91	18.47	15.06	12.38
Total Expenses	1.95	1.41	1.27	1.49	1.19
Interest	1.99	1.86	2.07	2.05	1.66
Net	13.70	14.64	15.13	11.52	9.51
Less Proportion of Associated Operating Companies' Undivided Profits	1.94	2.53	2.46	1.08	.46
Actual	11.76	12.11	12.67	10.44	9.05

Assuming that Expenses of American Telephone and Telegraph Company, General Department are paid from Licensee Revenue, the 9% Dividend is derived from the following sources.

	Per Cent				
	1927	1928	1929	1930	1931
From Dividends from Associated Oper. Cos.	60.36	64.26	59.12	62.38	69.82
From Interest from Associated Oper. Cos.	8.42	6.35	7.79	8.71	7.32
Licensee Revenue (less Expenses)	7.42	.57	*	* 4.34	* 3.61
From Long Lines Department Net	15.36	17.98	17.05	15.64	14.55
From Dividends from Bell Tel. Co. of Canada and Western Electric Co., Inc.	5.74	7.53	12.72	12.30	5.93
From Other Revenue	2.68	3.31	4.49	5.31	5.99
Total	100.00	100.00	100.00	100.00	100.00

ASSOCIATED OPERATING COMPANIES
(Excludes American Tel. and Tel. Co., Long Lines Dept.)

	% Net Telephone Earnings to Average Plant in Service	Balance Net Profits (after Pref. Dividend) to Average Common Stock
1927	6.13	9.63
1928	6.47	10.19
1929	6.52	10.21
1930	5.64	8.68
1931	5.58	8.02

C. G. Hutchinson
Comptroller.

Date issued - January 28, 1932.

* Red Figures

14307-14326

8906

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

SUMMARY STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:
1. [illegible]
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS. (PARTLY ESTIMATED)

L-20

YEAR 1926

	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations (Partly Estimated)*	Holding Company (Incl. Miscellaneous Non-License Contract) Operations (Partly Estimated)* (See Note B)
Revenues:				
Operating	$ 75,513,108	$46,984,923	$28,203,393	$ 224,790
Non-operating:				
Interest on Cash and Temporary Investments	2,488,454	34,014	2,453,058	1,382
Interest on Advances (Temporary Financing of Licensee Companies)	10,304,623	0	10,304,494	129
Other Interest	1,777,794	188,732	0	1,589,062
Dividends	63,559,326	0	0	63,559,326
Royalties, Rents and Miscellaneous	439,533	33,890	256,503	149,140
	$154,082,836	$47,241,559	$41,217,448	$65,523,829
Expenses:				
Maintenance - Repairs and Depreciation	$ 15,685,471	$11,463,045	$ 3,974,969	$ 47,477
Traffic	8,839,110	8,026,004	0	143,106
Commercial - Advertising	1,079,007	352,023	665,993	60,990
General and Miscellaneous	10,334,441	670,583	9,594,910	68,948
Uncollectible Operating Revenues	641,646	641,151	0	495
Taxes	7,397,587	3,848,359	3,539,091	9,937
Rents	2,975,428	2,840,693	110,769	23,966
Other Miscellaneous Deductions	110,783	93,505	0	17,278
Interest and Dividend Payments	87,491,269	9,036,749	19,993,711	58,470,811
Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	1,200,000**	1,200,000
	$133,954,741	$37,033,312	$38,879,423	$60,083,008
Amount transferred to credit of Corporate Surplus	$ 20,128,094	$10,208,247	$ 6,438,026	$ 5,480,821

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion).

** Red figures.

Notes: A Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Interest and Dividend Payments represents an apportionment to that Department.

B The column "Holding Company (including Miscellaneous Non-License Contract) Operations" includes total revenues and expenses of Radio Broadcasting Operations (Station WEAF) for which separate subsidiary accounts were maintained.

14327

August 25, 1931.

9070

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF CONSOLIDATED OPERATIONS INCLUDING HOLDING COMPANY
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS
SCHEDULE 310 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1935

I.C.C. Classification					
Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations	Holding Company (Incl. Miscellaneous Non-License Contract) Operations (See Note B)
	I. Exchange Service Revenues				
300	Subscribers' station revenues	$ 0	$ 0	$ 0	$ 0
301	Public pay station revenues	0	0	0	0
303	Service stations	0	0	0	0
304	Private exchange lines	0	0	0	0
305	Minor rents of exchange plant	0	0	0	0
306	Other exchange revenues	0	0	0	0
308	Miscellaneous exchange service revenues	0	0	0	0
	Total exchange service revenues	0	0	0	0
	II. Toll Service Revenues				
310	Message tolls	40,859,653	40,859,653	0	0
312	Leased toll lines	1,841,652	1,841,652	0	0
313	Telegraph tolls	0	0	0	0
314	Telegraph service on toll lines	10,223,246	10,223,246	0	0
315	Minor rents of toll plant	2,096,687	2,096,687	0	0
316	Other toll line revenue	15,465	15,465	0	0
311	Miscellaneous toll line revenues	14,177,050	14,177,050	0	0
	Total toll service revenues	55,036,703	55,036,703	0	0
	III. Miscellaneous Operating Revenues				
320	Messenger service	0	0	0	0
321	Telegraph commissions	0	0	0	0
323	Other telegraph service charges	0	0	0	0
324	Advertising and directory	0	0	0	0
326	Rents from other operating property	0	0	0	0
325	Other miscellaneous revenue	1,300,707	204,595	0	1,096,112
	Miscellaneous direct revenues	1,300,707	204,595	0	1,096,112
326	Licensee revenue - Cr.	30,197,214	0	30,197,214	0
327	Licensee revenue - Dr.	0	0	0	0
	Total miscellaneous operating revenues	31,497,921	204,595	30,197,214	1,096,112
	Total	86,534,624	55,241,298	30,197,214	1,096,112
	Long Lines 4-1/2% payment for services of the character furnished under License Contracts	x x x	[illegible]*	1,768,414	0
	Adjustment for facilities furnished by the Long Lines Department for public demonstration purposes and radio broadcasting operations	x x x	270,067	[illegible]*	[illegible]*
		x x x	[illegible]*	1,935,588	[illegible]*
	Grand Total	86,534,624	53,748,951	31,933,812	$ 850,861

Notes: A. Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

B. The column "Holding Company (Including Miscellaneous Non-License Contract) Operations" includes total revenues of Radio Broadcasting Operations (Station WAF) for which separate subsidiary accounts were maintained.

* [illegible]

14328

August 25, 1931.

E-201
P-9

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

SUMMARY STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT OPERATIONS,
2. LICENSE CONTRACT OPERATIONS (PARTLY ESTIMATED)
3. HOLDING COMPANY OPERATIONS

YEAR 1925

	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations (Partly Estimated)*	Holding Company (Incl. Miscellaneous Non-License Contract) Operations (Partly Estimated)* (See Note B)
Revenues:				
Operating	$ 86,534,634	$53,742,951	$31,932,812	$ 858,861
Non-Operating:				
Interest on Cash and Temporary Investments	2,433,990	34,873	2,397,449	1,868
Interest on Advances (Temporary Financing of Licensee Companies)	13,936,407	0	13,935,738	669
Other Interest	1,596,685	285,579	0	1,311,106
Dividends	75,395,527	0	0	75,395,527
Royalties, Rents and Miscellaneous	561,680	35,734	261,923	264,023
	$180,458,913	$54,099,937	$48,527,922	$77,832,054
Expenses:				
Maintenance - Repairs and Depreciation	$ 17,859,534	$13,284,612	$ 4,512,820	$ 62,102
Traffic	8,913,894	8,593,121	0	320,773
Commercial - Advertising	1,388,794	541,908	712,368	134,518
General and Miscellaneous	11,309,060	718,290	10,511,040	79,730
Uncollectible Operating Revenues	694,432	693,552	0	880
Taxes	8,244,901	4,184,289	4,151,356	9,256
Rents	2,851,029	2,514,184	216,403	120,442
Other Miscellaneous Deductions	60,936	59,675	0	1,261
Interest and Dividend Payments	102,675,713	9,951,263	24,862,012	67,862,438
Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	1,400,000 **	1,400,000
	$154,098,293	$40,540,894	$43,365,799	$69,991,600
Amount transferred to credit of Corporate Surplus	$ 26,360,620	$13,558,043	$ 4,962,123	$ 7,840,454

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion).

** Red figure

Notes: A. Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Interest and Dividend Payments represents an apportionment to that Department.

B. The column "Holding Company (including Miscellaneous Non-License Contract) Operations" includes total revenues and expenses of Radio Broadcasting Operations (Station WEAF) for which separate subsidiary accounts are maintained.

14329

MARIGAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF THE REVENUE OPERATING REVENUES ACCRUED APPARATUS
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE COMPANY OPERATIONS
3. HOLDING COMPANY OPERATIONS
SCHEDULE 310 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1934

K 201

Account Number	I.C.C. Classification Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations	Holding Company (Incl. Miscellaneous Non-License Contract) Operations (See Note B)
	I. Exchange Service Revenues				
500	Subscribers' station revenues	$ 0	$ 0	$ 0	$ 0
501	Public pay station revenues	0	0	0	0
503	Service stations	0	0	0	0
504	Private exchange lines	0	0	0	0
505	Minor rents of exchange plant	0	0	0	0
506	Other exchange revenues	0	0	0	0
509	Miscellaneous exchange service revenues		0	0	0
	Total exchange service revenues	0	0	0	0
	II. Toll Service Revenues				
510	Message tolls	43,206,941	43,206,941	0	0
512	Leased toll lines	2,674,968	2,674,968	0	0
513	Telegraph tolls	0	0	0	0
514	Telegraph service on toll lines	12,261,270	12,261,270	0	0
515	Minor rents of toll plant	2,641,653	2,641,653	0	0
516	Other toll line revenues	18,094	18,094	0	0
511	Miscellaneous toll line revenues	17,595,985	17,595,985	0	0
	Total toll service revenues	80,802,926	80,802,926	0	0
	III. Miscellaneous Operating Revenues				
520	Messenger service	0	0	0	0
521	Telegraph commissions	0	0	0	0
522	Other telegraph service charges	0	0	0	0
523	Advertising and directory	0	0	0	0
524	Rents from other operating property		0	0	0
525	Other miscellaneous revenue	670,696	65,573	0	605,123
	Miscellaneous direct revenues	670,696	65,573	0	605,123
526	Licensee revenue - Cr.	29,850,303	0	29,850,303	0
527	Licensee revenue - Dr.	0	0	0	0
	Total miscellaneous operating revenues	30,520,999	65,573	29,850,303	605,123
	Total	91,323,925	80,868,499	29,850,303	605,123
	Long Lines 4% payment for services of the character furnished under license contracts	X X X	1,696,400 **	1,696,400	0
	Adjustment for facilities furnished by the Long Lines Department for public demonstration purposes and radio broadcasting operations	X X X	7,708	- 1,677	0 **
		X X X	1,688,692 **	1,698,077	0 **
	Grand Total	$91,323,925	$59,242,807	$31,548,380	$532,738

Notes: A Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

B The column "Holding Company (including Miscellaneous Non-License Contract Operations" includes total revenues of Radio Broadcasting Operations Station WAAD for which separate subsidiary accounts were maintained.

** Red Figure

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY

SUMMARY STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS) (PARTLY ESTIMATED)

YEAR 1926

	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations (Partly Estimated)*	Holding Company (Incl. Miscellaneous Non-License Contract) Operations (Partly Estimated)* (See Note B)
Revenues:				
Operating	$ 91,333,935	$30,243,807	$31,546,380	$ 532,738
Non-operating:				
Interest on Cash and Temporary Investments	2,684,888	36,248	2,639,123	9,518
Interest on Advances (Temporary Financing of Licensee Companies)	10,628,978	0	10,623,988	5,990
Other Interest	841,348	408,025	0	433,318
Dividends	91,963,935	0	0	91,963,935
Royalties, Rents and Miscellaneous	467,897	118,944	0	348,953
	$197,910,966	$30,806,024	$44,810,490	$93,294,452
Expenses:				
Maintenance - Repairs and Depreciation	$ 20,480,769	$15,282,263	$ 5,175,876	$ 22,630
Traffic	10,190,580	9,997,297	0	193,273
Commercial - Advertising	1,306,064	667,671	834,283	94,370
General and Miscellaneous	13,768,026	750,711	11,966,027	51,288
Uncollectible Operating Revenues	741,968	728,668	0	13,300
Taxes	8,048,783	4,632,214	3,408,795	1,774
Rents	5,046,623	3,863,287	1,097,221	87,115
Other Miscellaneous Deductions	112,818	111,358	0	1,458
Interest and Dividend Payments	108,437,333	11,066,353	30,353,648	77,018,131
Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	X X X	X X X	1,600,000**	1,600,000
	$167,416,911	$47,098,382	$41,234,790	$79,083,539
Amount transferred to credit of Corporate Surplus	$ 30,494,055	$13,707,642	$ 3,575,700	$14,210,913

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion).

** Red figure

Notes: A. Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Interest and Dividend Payments represents an apportionment to that Department.

B. The column "Holding Company (including Miscellaneous Non-License Contract) Operations" includes total revenues and expenses of Radio Broadcasting Operations (Station WEAF) for which separate subsidiary accounts were maintained.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF TELEPHONE OPERATING REVENUES SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS
SCHEDULE 310 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1937

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Account Number	I.C.C. Classification Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations	Holding Company (Incl. Miscellaneous Non-License Contract[3]) Operations
	I. Exchange Service Revenues				
501	Subscribers' station revenues	$ 0	$ 0	$ 0	$ 0
502	Public pay station revenues	0	0	0	0
503	Service stations	0	0	0	0
504	Private exchange lines	0	0	0	0
505	Minor rents of exchange plant	0	0	0	0
506	Other exchange revenues	0		0	0
507	Miscellaneous exchange service revenues	0		0	
	Total exchange service revenues	0		0	0
	II. Toll Service Revenues				
511	Message tolls	$ 46,678,035	$ 46,678,035	0	0
512	Leased toll lines	3,76 ,274	3,76 ,274	0	0
513	Telegraph tolls	0	0	0	0
514	Telegraph service on toll lines	13,284,138	13,284,138	0	0
515	Minor rents of toll plant	3,547,169	3,547,169	0	0
516	Other toll line revenues	84,534	84,534	0	0
517	Miscellaneous toll line revenues	20,676,115	20,676,115	0	0
	Total toll service revenues	87,354,15	87,354,15	0	0
	III. Miscellaneous Operating Revenues				
521	Passenger service	0	0	0	0
522	Telegraph commissions	0	0	0	0
523	Other telegraph service charges	0	0	0	0
524	Advertising and directory	0	0	0	0
525	Rents from other operating property	0	0	0	0
526	Other miscellaneous revenue	57,98	57,989	0	0
	Miscellaneous direct revenues	57,989	57,989	0	0
532	Licensee revenue - Cr.	32,434,65		32,434,65	0
537	Licensee revenue - Dr.	0	0	0	0
	Total miscellaneous operating revenues	32,51 ,641	57,989	32,45 ,652	0
	Total	0 ,0 ,79	67,41 , 35	32,45 ,652	0
	Long lines 4% payment for services of the character furnished under license contracts	x x x	[illegible]	1,78 ,032	0
	Grand Total	$99,8 ,791	$65,644,1 9	$34,24 ,684	$ 0

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

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* Red Figure

[illegible]

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY

SUMMARY STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS (PARTLY ESTIMATED)
3. HOLDING COMPANY OPERATIONS

YEAR 1927

	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations (Partly Estimated)*	Holding Company (Incl. Miscellaneous Non-License Contract) Operations (Partly Estimated)*
Revenues:				
Operating	$ 99,866,791	$65,134,187	$34,243,634	$ 0
Non-operating:				
Interest on Cash and Temporary Investments	2,329,463	36,238	2,293,011	213
Interest on Advances (Temporary Financing of Licensee Companies)	11,924,000	0	11,922,800	1,200
Other Interest	1,744,934	466,379	0	1,278,555
Dividends	147,895,600	0	10,580	147,885,120
Royalties, Rents and Miscellaneous	702,903	97,061	0	605,832
	$264,463,690	$65,733,775	$48,468,775	$149,771,140
Expenses:				
Maintenance - Repairs and Depreciation	$ 33,363,362	$18,027,630	$ 5,335,849	$ 273
Traffic	11,368,484	11,368,484	0	0
Commercial - Advertising	1,643,356	888,645	754,911	0
General and Miscellaneous	14,770,151	1,184,063	13,557,489	28,599
Uncollectible Operating Revenues	833,609	830,590	0	3,019
Taxes	7,777,411	4,295,118	3,340,070	142,223
Rents	8,249,851	5,044,915	1,201,017	3,919
Other Miscellaneous Deductions	134,306	132,742	0	1,564
Interest and Dividend Payments	119,148,919	13,344,639	30,442,471	85,361,809
Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	X X X	X X X	1,800,000 **	1,800,000
	$185,289,849	$55,116,616	$63,831,827	$ 87,341,406
Amount transferred to credit of Corporate Surplus	$ 79,173,841	$11,107,159	$ 5,636,948	$ 62,429,734

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion).

** Red figure.

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Interest and Dividend Payments represents an apportionment to that Department.

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August 25, 1931

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF TELEPHONE OPERATING REVENUES SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS
SCHEDULE 310 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1928

Sheet No. 1.

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Account number	I.C.C. Classification Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations	Holding Company (Incl. Miscellaneous non-License Contract) Operations
	I. Exchange Service Revenues				
500	Subscribers' station revenues	$ 0	$ 0	$ 0	$ 0
501	Public pay station revenues	0	0	0	0
503	Service stations	0	0	0	0
504	Private exchange lines	0	0	0	0
505	Minor rents of exchange plant	0	0	0	0
506	Other exchange revenues	0	0	0	0
502	Miscellaneous exchange service revenues	0	0	0	0
	Total exchange service revenues	0	0	0	0
	II. Toll Service Revenues				
510	Message tolls	58,769,659	58,769,659	0	0
512	Leased toll lines	4,940,566	4,940,566	0	0
513	Telegraph tolls	0	0	0	0
514	Telegraph service on toll lines	15,555,769	15,555,769	0	0
515	Minor rents of toll plant	3,503,675	3,503,675	0	0
516	Other toll line revenues	78,364	78,364	0	0
511	Miscellaneous toll line revenues	24,078,374	24,078,374	0	0
	Total toll service revenues	82,848,033	82,848,033	0	0
	III. Miscellaneous Operating Revenues				
52	Passenger service	0	0	0	0
521	Telegraph commissions	0	0	0	0
522	Other telegraph service charges	0	0	0	0
523	Advertising and directory	0	0	0	0
524	Rents from other operating property	0	0	0	0
525	Other miscellaneous revenue	113,428	113,428	0	0
	Miscellaneous direct revenues	113,428	113,428	0	0
526	Licensee revenue - Cr.	17,622,365	0	17,622,365	0
527	Licensee revenue - Dr.	0	0	0	0
	Total miscellaneous operating revenues	17,735,793	113,428	17,622,365	0
	Total	100,583,826	82,961,461	17,622,365	0
	Long lines 2% payment for services of the character furnished under License Contracts	x x x	1,581,797**	1,581,797	0
	Grand Total	$100,583,826	$81,379,664	$19,204,162	0

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

** Red figure

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY

SUMMARY STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS (PARTLY ESTIMATED)

YEAR 1929

	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations (Partly Estimated)*	Holding Company (Incl. Miscellaneous Non-License Contract Operations (Partly Estimated)*
Revenues:				
Operating	$100,583,836	$81,379,644	$19,204,192	$ 0
Non-operating:				
Interest on Cash and Temporary Investments	3,889,647	43,160	3,846,167	320
Interest on Advances (Temporary Financing of Licensee Companies)	10,761,911	0	10,760,692	1,219
Other Interest	768,681	323,178	0	345,503
Dividends	119,176,197	0	0	119,176,197
Royalties, Rents and Miscellaneous	601,715	61,087	0	540,628
	$235,781,977	$82,007,069	$33,811,021	$119,963,867
Expenses:				
Maintenance - Repairs and Depreciation	$ 23,613,438	$23,519,328	$ 93,646	$ 464
Traffic	13,486,755	13,486,755	0	0
Commercial - Advertising	2,090,049	1,098,774	991,275	0
General and Miscellaneous	16,261,163	1,519,012	14,677,982	64,169
Uncollectible Operating Revenues	925,034	925,034	0	0
Taxes	7,741,087	6,068,856	1,671,673	330
Rents	7,274,608	5,978,064	1,292,015	4,529
Other Miscellaneous Deductions	155,800	154,272	0	1,528
Interest and Dividend Payments	125,918,998	15,179,436	18,551,436	92,188,126
Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	2,000,000 **	2,000,000
	$196,432,926	$66,895,531	$35,278,226	$ 94,259,169
Amount transferred to credit of Corporate Surplus	$ 39,349,051	$15,111,538	$ 1,467,205 **	$ 25,704,698

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion).

** Red figure

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Interest and Dividend Payments represents an apportionment to that Department.

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August 25, 1931.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF TELEPHONE OPERATING REVENUES (INCLUDING INTRASTATE)
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS

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SCHEDULE 310 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1929

I.C.C. Classification		Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations	Holding Company (Incl. Miscellaneous Non-License Contract) Operations
Account Number	Title				
	I. Exchange Service Revenues				
500	Subscribers' station revenues	$ 0	$ 0	$ 0	$ 0
501	Public pay station revenues	0	0	0	0
503	Service stations	0	0	0	0
504	Private exchange lines	0	0	0	0
505	Minor rents of exchange plant	0	0	0	0
506	Other exchange revenues	0	0	0	0
509	Miscellaneous exchange service revenues	0	0	0	0
	Total exchange service revenues	0	0	0	0
	II. Toll Service Revenues				
510	Message tolls	68,703,270	68,703,270	0	0
512	Lease toll lines	6,574,353	6,574,353	0	0
513	Telegraph tolls	0	0	0	0
514	Telegraph service on toll lines	18,025,257	18,025,257	0	0
515	Minor rents of toll plant	3,948,388	3,948,388	0	0
516	Other toll line revenues	60,307	60,307	0	0
511	Miscellaneous toll line revenues	28,606,305	28,606,305	0	0
	Total toll service revenues	97,311,575	97,311,575	0	0
	III. Miscellaneous Operating Revenues				
520	Messenger service	0	0	0	0
521	Telegraph commissions	0	0	0	0
522	Other telegraph service charges	0	0	0	0
523	Advertising and directory	0	0	0	0
524	Rents from other operating property	0	0	0	0
525	Other miscellaneous revenue	123,078	123,078	0	0
	Miscellaneous direct revenues	123,078	123,078	0	0
526	Licensee revenue - Cr.	14,455,588	0	14,455,588	0
527	Licensee revenue - Dr.	0	0	0	0
	Total miscellaneous operating revenues	14,578,666	123,078	14,455,588	0
	Total	111,890,241	97,434,653	14,455,588	0
	Long Lines 1-1/2% payment for services of the character furnished under License Contracts	x x x	1,422,935**	1,422,935	0
	Grand Total	$111,890,241	$96,011,718	$15,878,523	0

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

** Red figure

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY

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SUMMARY STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS (PARTLY ESTIMATED)

YEAR 1929

	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations (Partly Estimated)*	Holding Company (Incl. Miscellaneous Non-License Contract Operations (Partly Estimated)*
Revenues:				
Operating	$111,890,241	$96,011,718	[illegible]	$ 0
Non-operating:				
Interest on Cash and Temporary Investments	3,398,789	48,419	3,348,668	1,702
Interest on Advances (Temporary Financing of Licensee Companies)	14,558,416	0	14,554,437	3,979
Other Interest	3,605,830	1,083,475	0	2,522,355
Dividends	140,911,591	0	0	140,911,591
Royalties, Rents and Miscellaneous	1,331,040	66,162	0	1,264,878
	$275,695,907	$97,209,774	233,781,648	$144,704,505
Expenses:				
Maintenance - Repairs and Depreciation	$ 28,201,651	$28,071,437	$ 128,914	$ 1,300
Traffic	15,388,866	15,388,866	0	0
Commercial - Advertising	2,835,029	1,413,503	1,300,076	111,450
General and Miscellaneous	18,448,517	1,906,059	16,395,210	147,248
Uncollectible Operating Revenues	1,100,117	1,100,117	0	0
Taxes	6,636,745	5,618,032	1,018,102	611
Rents	8,898,297	7,581,167	1,308,046	9,084
Other Miscellaneous Deductions	196,013	192,455	0	1,576
Interest and Dividend Payments	144,011,885	19,559,181	21,743,569	102,709,135
Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	X X X	X X X	4,250,000 **	4,250,000
	$225,884,920	$81,010,597	$39,643,947	$105,230,376
Amount transferred to credit of Corporate Surplus	$ 49,810,987	$16,199,177	$ 5,862,319 **	$ 39,474,189

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion.

** Red figures

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Interest and Dividend Payments represents an apportionment to that Department.

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August 25, 1931.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF TELEPHONE OPERATING REVENUES SHOWING SEPARATELY

1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS

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CLASSIFIED SUMMARY OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1930

I.C.C. Classification					
Account Number	Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations	Holding Company (Incl. Miscellaneous Non-License Contract Operations
	I. Exchange Service Revenues				
500	Subscribers' stations revenues	$ 0	$ 0	$ 0	0
501	Public pay station revenues	0	0	0	0
503	Service stations	0	0	0	0
504	Private exchange lines	0	0	0	0
505	Minor rents of exchange plant	0	0	0	0
506	Other exchange revenues	0	0	0	0
508	Miscellaneous exchange service revenues	0	0	0	0
	Total exchange service revenues	0	0	0	0
	II. Toll Service Revenues				
510	Message tolls	68,601,394	68,601,394	0	0
512	Leased toll lines	7,330,905	7,330,905	0	0
513	Telegraph tolls	0	0	0	0
514	Telegraph service on toll lines	18,333,671	18,333,671	0	0
515	Minor rents of toll plant	5,174,576	5,174,576	0	0
516	Other toll line revenues	33,648	33,648	0	0
511	Miscellaneous toll line revenues	30,872,800	30,872,800	0	0
	Total toll service revenues	99,474,394	99,474,394	0	0
	III. Miscellaneous Operating Revenues				
520	Messenger service	0	0	0	0
521	Telegraph commissions	0	0	0	0
522	Other telegraph service charges	0	0	0	0
523	Advertising and directory	0	0	0	0
524	Rents from other operating property	0	0	0	0
525	Other miscellaneous revenue	60,581	60,581	0	0
	Miscellaneous direct revenues	60,581	60,581	0	0
526	Licensee revenue - Dr.	15,025,890	0	15,025,890	0
527	Licensee revenue - Cr.	0	0	0	0
	Total miscellaneous operating revenues	15,086,471	60,581	15,025,890	0
	Total	114,560,865	99,534,975	15,025,890	0
	Long Lines 1-1/4 payment for services of the character furnished under License Contracts	x x x	1,485,249 *	1,485,249	
	Grand Total	114,560,865	98,049,726	16,511,139	

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

* Red figure

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY

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SUMMARY STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS (PARTLY ESTIMATED)
3. HOLDING COMPANY OPERATIONS

YEAR 1930

	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations (Partly Estimated)*	Holding Company (Incl. Miscellaneous Non-License Contract) Operations (Partly Estimated)*
Revenues:				
Operating	$114,340,865	$98,049,726	$16,311,139	$ 0
Non-operating:				
Interest on Cash and Temporary Investments	6,917,210	48,862	2,931,996	3,936,352
Interest on Advances (Temporary Financing of License Companies)	16,471,293	0	16,464,143	7,150
Other Interest	4,638,338	1,676,836	0	2,961,502
Dividends	148,178,884	0	0	148,178,884
Royalties, Rents and Miscellaneous	1,248,236	84,668	0	1,161,568
	$292,014,870	$99,860,092	$35,707,278	$156,447,456
Expenses:				
Maintenance - Repairs and Depreciation	$ 33,161,364	$33,006,638	$ 153,800	$ 926
Traffic	16,443,228	16,443,228	0	0
Commercial - Advertising	2,950,034	1,513,327	1,308,642	128,065
General and Miscellaneous	23,379,677	2,246,054	20,636,452	481,171
Uncollectible Operating Revenues	1,240,846	1,243,336	0	2,490**
Taxes	4,829,863	3,836,138	988,802	4,923
Rents	11,738,887	10,376,062	1,375,070	7,755
Other Miscellaneous Deductions	250,477	248,051	0	1,426
Interest and Dividend Payments	171,673,831	24,417,353	25,186,340	122,069,938
Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	2,500,000**	2,500,000
	$269,708,236	$93,351,415	$47,163,422	$125,194,399
Amount transferred to credit of Corporate Surplus	$ 22,306,634	$ 6,510,677	$11,235,124 **	$ 31,081,051

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion).

** Red figures

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Interest and Dividend Payments represents an apportionment to that Department.

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August 25, 1931.

EXHIBIT X-207

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF TELEPHONE OPERATING REVENUES SHOWING SEPARATELY:

1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. PERMANENT INVESTMENTS IN LICENSEE COMPANIES
4. OTHER ACTIVITIES

SCHEDULE 310 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1931

I.C.C. Classification		Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations
Account Number	Title			
	I. Exchange Service Revenues			
500	Subscribers' station revenues	$ 0	$ 0	$ 0
501	Public pay station revenues	0	0	0
503	Service stations	0	0	0
504	Private exchange lines	0	0	0
505	Minor rents of exchange plant	0	0	0
506	Other exchange revenues	0	0	0
502	Miscellaneous exchange service revenues	0	0	0
	Total exchange service revenues	0	0	0
	II. Toll Service Revenues			
510	Message tolls	65,578,736	65,578,736	0
512	Leased toll lines	6,704,285	6,704,285	0
513	Telegraph tolls	0	0	0
514	Telegraph service on toll lines	16,720,444	16,720,444	0
515	Minor rents of toll plant	5,435,781	5,435,791	0
516	Other toll line revenues	19,806	19,806	0
511	Miscellaneous toll line revenues	28,880,316	28,880,316	0
	Total toll service revenues	94,459,052	94,459,052	0
	III. Miscellaneous Operating Revenues			
520	Messenger service	0	0	0
521	Telegraph commissions	0	0	0
522	Other telegraph service charges	0	0	0
523	Advertising and directory	42,760	0	0
524	Rents from other operating property	0	0	0
525	Other miscellaneous revenue	97,788	97,788	0
	Miscellaneous direct revenues	140,548	97,788	0
526	Licensee revenue - Cr.	14,718,361	0	14,718,361
527	Licensee revenue - Dr.	0	0	0
	Total miscellaneous operating revenues	14,858,909	97,788	14,718,361
	Total	109,317,961	94,556,840	14,718,361

Long Lines 1-1/2% payment for services of the character

SCHEDULE 310 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1931

I.C.C. Classification				
Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations
	I. Exchange Service Revenues			
500	Subscribers' station revenues	$ 0	$ 0	$ 0
501	Public pay station revenues	0	0	0
503	Service stations	0	0	0
504	Private exchange lines	0	0	0
505	Minor rents of exchange plant	0	0	0
506	Other exchange revenues	0	0	0
502	Miscellaneous exchange service revenues	0	0	0
	Total exchange service revenues	0	0	0
	II. Toll Service Revenues			
510	Message tolls	65,578,736	65,578,736	0
512	Leased toll lines	6,704,285	6,704,285	0
513	Telegraph tolls	0	0	0
514	Telegraph service on toll lines	16,720,444	16,720,444	0
515	Minor rents of toll plant	5,435,781	5,435,791	0
516	Other toll line revenues	19,806	19,806	0
511	Miscellaneous toll line revenues	28,880,316	28,880,316	0
	Total toll service revenues	94,459,052	94,459,052	0
	III. Miscellaneous Operating Revenues			
520	Messenger service	0	0	0
521	Telegraph commissions	0	0	0
522	Other telegraph service charges	0	0	0
523	Advertising and directory	42,760	0	0
524	Rents from other operating property	0	0	0
525	Other miscellaneous revenue	97,788	97,788	0
	Miscellaneous direct revenues	140,548	97,788	0
526	Licensee revenue - Cr.	14,718,361	0	14,718,361
527	Licensee revenue - Dr.	0	0	0
	Total miscellaneous operating revenues	14,858,909	97,788	14,718,361
	Total	109,317,961	94,556,840	14,718,361
	Long Lines 1-1/2% payment for services of the character furnished under License Contracts	x x x x	1,417,094 *	1,417,094
	Grand Total	$109,317,961	$93,139,746	$16,135,455

Note A. Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

* Red figure

14340=14345

EXHIBIT X-207

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

X-207
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STATEMENT OF TELEPHONE OPERATING REVENUES SHOWING SEPARATELY:

1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. PERMANENT INVESTMENTS IN LICENSEE COMPANIES
4. OTHER ACTIVITIES

SCHEDULE 310 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1931

ification	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations	Permanent Investments in Licensee Companies	Other Activities
rvice Revenues					
	‡ 0	‡ 0	‡ 0	‡ 0	‡ 0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
s	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Revenues					
	65,578,736	65,578,736	0	0	0
	6,704,285	6,704,285	0	0	0
	0	0	0	0	0
	16,720,444	16,720,444	0	0	0
	5,435,781	5,435,781	0	0	0
	19,806	19,806	0	0	0
	28,880,316	28,880,316	0	0	0
	94,459,052	94,459,052	0	0	0
Operating Revenues					
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	42,760	0	0	0	42,760
	0	0	0	0	0
	97,788	97,788	0	0	0
	140,548	97,788	0	0	42,760
	14,718,361	0	14,718,361	0	0
	0	0	0	0	0
enues	14,858,909	97,788	14,718,361	0	42,760
	109,317,961	94,556,840	14,718,361	0	42,760
of the character	x x x x	1,417,094*	1,417,094	0	0

SCHEDULE 310 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1931

lassification itle	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations	Permanent Investments in Licensee Companies	Other Activities
Service Revenues					
. . . . .	$ 0	$ 0	$ 0	$ 0	$ 0
. . . . .	0	0	0	0	0
. . . . .	0	0	0	0	0
. . . . .	0	0	0	0	0
. . . . .	0	0	0	0	0
. . . . .	0	0	0	0	0
enues	0	0	0	0	0
es	0	0	0	0	0
ice Revenues					
. . . . .	65,578,736	65,578,736	0	0	0
. . . . .	6,704,285	6,704,285	0	0	0
. . . . .	0	0	0	0	0
. . . . .	16,720,444	16,720,444	0	0	0
. . . . .	5,435,781	5,435,781	0	0	0
. . . . .	19,806	19,806	0	0	0
. . . . .	28,880,316	28,880,316	0	0	0
. . . . .	94,459,052	94,459,052	0	0	0
ous Operating Revenues					
. . . . .	0	0	0	0	0
. . . . .	0	0	0	0	0
. . . . .	0	0	0	0	0
. . . . .	42,760	0	0	0	42,760
. . . . .	0	0	0	0	0
. . . . .	97,788	97,788	0	0	0
. . . . .	140,548	97,788	0	0	42,760
. . . . .	14,718,361	0	14,718,361	0	0
. . . . .	0	0	0	0	0
revenues	14,858,909	97,788	14,718,361	0	42,760
. . . . .	109,317,961	94,556,840	14,718,361	0	42,760
ces of the character					
. . . . .	x x x x	1,417,094 *	1,417,094	0	0
. . . . .	$109,317,961	$93,139,746	$16,135,455	$ 0	$42,760

Note A. Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

* Red figure

14340=14345

(PARTLY ESTIMATED)

I.C.C. Classification Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	Licensee Contract Operations (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-Licensee Contract) Operations* (Partly estimated) (See Note B)
	I. Maintenance expenses				
601	Supervision of maintenance	$ 1,004,383	$ 1,004,076	$ 0	$ 2,847
602	Repairs of aerial plant	4,319,306	4,319,306	0	0
603	Repairs of underground plant	254,836	254,836	0	0
604	Repairs of central office equipment	1,701,195	1,443,337	257,858	0
605	Repairs of station equipment	1,543,313	165,134	1,377,979	0
606	Repairs of buildings and grounds	64,081	41,511	22,384	176
607	Station removals and changes	31,037	31,037	0	0
608	Depreciation of plant and equipment	9,743,802	8,834,993	2,874,537	34,328
609	Extraordinary depreciation	0	0	0	0
610	Other maintenance expenses	58,678	33,319	0	25,359
611	Repairs charged to reserves - Cr.	884,883	884,883	0	0
	Total maintenance expenses	17,839,536	15,884,618	4,513,680	62,858
	II. Traffic expenses				
641	Traffic supervision	1,218,934	1,202,933	0	16,006
642	Service inspection	118,374	118,374	0	0
643	Clerical operating wages	94,773	94,773	0	0
643	Central office superintendence	1,434,288	1,418,283	0	16,006
644	Operators' wages	9,816,102	9,779,164	0	36,938
646	Rest and lunch rooms	84,313	84,313	0	0
647	Operators' schooling	403,736	403,736	0	0
648	Transmission power	443,869	440,763	0	3,106
649	Central office stationery and printing	105,601	105,601	0	0
650	Messenger service	0	0	0	0
651	Miscellaneous central office expenses	309,464	309,464	0	0
652	Central office supplies and expenses	1,368,842	1,363,736	0	5,106
653	Pay station expenses	161	161	0	0
657	Other traffic expenses	388,301	133,798	0	254,503
	Total traffic expenses	8,913,894	8,393,181	0	320,713
	III. Commercial expenses				
661	Commercial administration	356,349	351,436	0	4,913
662	Advertising	874,600	139,883	712,360	24,357
663	Canvassing	89,118	54,604	0	34,518
664	Subliminal relations	0	0	0	0
665	Promotion expenses	963,516	192,686	712,360	58,668
666	Revenue accounting	50,225	50,225	0	0
667	Revenue collecting	7,759	7,759	0	0
668	Pay station commissions	0	0	0	0
669	Collection expenses	37,984	37,984	0	0
669	Directory expenses	0	0	0	0
670	Other commercial expenses	7,243	0	0	7,243
	Total commercial expenses	1,386,794	341,558	712,360	134,676
	IV. General and Miscellaneous expenses				
661	Salaries of general officers	996,686	55,913	926,674	14,099
662	Salaries of general office clerks	3,237,636	1,979,288	1,172,243	87,317
663	General office salaries	4,234,318	183,181	4,297,319	81,819
664	Expenses of general officers and clerks	515,413	14,766	498,614	4,033
665	General office stationery and printing	396,567	5,712	389,896	1,959
666	Other general office supplies and expenses	746,073	8,204	718,151	7,917
667	General office supplies and expenses	1,684,956	36,302	1,646,461	14,619
668	General law expenses	934,375	129,315	575,6	
669	General	45,234	32,66	1,6	1
669	Accidents and damages	22,215	21,21		
670	Law expenses connected with damages	1,11	1,11		
672	Relief department and pensions	388,792	341,215	47,	
673	Telephone franchise requirements	33	33		
674	Amortization of franchises and permits	1,6	,6	,6	
679	Other general expenses	1,6	,6	,6	
676	Telephone franchise requirements - Cr.				
679	Miscellaneous general expenses	2,	47,	2,11,	
	Total general expenses	11,	8,	1,	
	Adjustment for telephone service furnished by Long Lines		,7	1	,6
	Gross Total	83,	43,	33,	3

* The column "Licensee Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion of Account Number 672, Sheet No. 3.

** Red figure

Notes: [illegible] are partly estimated [illegible] the results of operations of the [illegible] Department.

The [illegible] Miscellaneous [illegible] Department [illegible] total expenses of Radio Broadcasting [illegible] for the separate [illegible] accounts were [illegible].

14346

[illegible], 1921.

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P. 7

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF TELEPHONE OPERATING EXPENSES BY ACCOUNTS SEPARATELY
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSEE COMPANY OPERATIONS
3. HOLDING COMPANY OPERATIONS (PART I ESTIMATED)

SCHEDULE 330 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1934

I.C.C. Classification Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	Licensee Contract Operations (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-Licensee Contract) Operations* (Partly Estimated) (See Note B)
	I. Maintenance Expenses				
601	Supervision of maintenance	$ 969,149	$ 968,422	$ 0	$ 727
602	Repairs of aerial plant	4,474,289	4,474,289	0	0
603	Repairs of underground plant	319,485	319,485	0	0
604	Repairs of central office equipment	1,932,681	1,739,838	192,843	0
605	Repairs of station equipment	2,081,189	259,892	1,821,297	0
606	Repairs of buildings and grounds	227,197	73,240	153,969	988
607	Station removals and changes	60,482	60,482	0	0
608	Depreciation of plant and equipment	10,719,459	7,719,760	2,989,097	10,602
609	Extraordinary depreciation	0	0	0	0
610	Other maintenance expenses	53,593	43,280	0	10,313
611	Repairs charged to reserves - Cr.	334,425	334,425	0	0
	Total maintenance expenses	20,680,769	15,288,263	5,195,876	22,630
	II. Traffic Expenses				
621	Traffic superintendence	1,450,048	1,444,629	0	5,419
622	Service inspection	141,210	141,210	0	0
623	Clerical operating wages	91,208	91,208	0	0
624	Central office superintendence	1,682,466	1,677,047	0	5,419
625	Operators' wages	9,082,069	7,067,920	0	14,149
626	Rest and lunch rooms	88,397	88,397	0	0
627	Operators' schooling	592,809	592,809	0	0
628	Transmission power	558,349	555,918	0	2,431
629	Central office stationery and printing	126,699	126,699	0	0
630	Messenger service	0	0	0	0
631	Miscellaneous central office expenses	490,961	490,961	0	0
632	Central office supplies and expenses	1,659,215	1,654,784	0	4,431
633	Pay station expenses	184	184	0	0
633	Other traffic expenses	171,474	0	0	171,474
	Total traffic expenses	10,190,534	9,997,459	0	193,273
	III. Commercial Expenses				
641	Commercial administration	308,524	303,745	0	4,779
642	Advertising	1,030,227	184,882	834,223	11,344
643	Canvassing	117,875	93,848	0	24,027
644	Subscribers relations	0	0	0	0
645	Promotion expenses	1,168,102	478,310	834,223	55,569
646	Revenue accounting	73,279	73,279	0	0
647	Revenue collecting	7,941	7,941	0	0
648	Pay station commissions	0	0	0	0
649	Collection expenses	83,218	83,218	0	0
649	Directory expenses	0	0	0	0
650	Other commercial expenses	36,222	0	0	36,222
	Total commercial expenses	1,508,044	667,471	834,223	96,370
	IV. General and Miscellaneous expenses				
661	Salaries of general officers	1,076,624	63,072	1,013,014	14,538
662	Salaries of general office clerks	6,033,287	111,449	5,906,484	15,354
663	General office salaries	7,109,911	174,521	6,919,498	35,892
664	Expenses of general officers and clerks	521,733	7,570	510,812	3,351
665	General office stationery and printing	453,558	3,344	444,762	3,248
666	Other general office supplies and expenses	908,645	40,944	860,355	7,386
663	General office supplies and expenses	1,883,934	34,080	1,835,929	13,965
667	General law expenses	750,293	243,486	506,807	0
668	Insurance	47,084	41,309	5,765	10
669	Accidents and damages	81,697	81,697	0	0
670	Law expenses connected with damages	6,030	6,030	0	0
672	Relief departments and pensions	858,586	371,865	486,721	0
673	Telephone franchise requirements	869	869	0	0
674	Amortization of franchises and patents	0	0	0	0
675	Other general expenses	2,289,814	91,895	2,197,919	0
676	Telephone franchise requirements	0	0	0	0
677	Miscellaneous general expenses	2,949,277	444,827	2,484,640	0
	Total general expenses	12,788,068	1,653,344	11,056,419	78,305
	Adjustment for telephone service furnished by Long Lines	[illegible]	[illegible]	113,404	1,421
	Grand Total	43,155,389	26,799,904	217,570,124	391,361

* The column "Licensee Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion under Account Number "1", Sheet No. 3).

** [illegible]

Notes: A separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

B The column "Holding Company (Including Miscellaneous Non-Licensee Contract) Operations" includes total expenses of Radio Broadcasting Operations (station [illegible]) for which separate subsidiary accounts are [illegible]

August 25, 1931.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF TELEPHONE OPERATING EXPENSES SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS (PARTLY ESTIMATED)
SCHEDULE 880 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1937

I.C.C. Classification					
Account Number	Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-License Contract) Operations* (Partly Estimated)
	I. Maintenance Expenses				
601	Supervision of maintenance	$ 1,168,817	$ 1,163,817	$ 0	$ 0
602	Repairs of aerial plant	5,081,553	5,051,553	0	0
603	Repairs of underground plant	683,622	683,622	0	0
604	Repairs of central office equipment	2,569,340	2,073,825	296,515	0
605	Repairs of station equipment	3,130,841	340,342	1,790,399	0
606	Repairs of buildings and grounds	196,858	157,619	39,343	86
607	Station removals and changes	43,829	43,829	0	0
608	Depreciation of plant and equipment	13,667,033	9,637,934	3,829,712	187
609	Extraordinary depreciation	0	0	0	0
610	Other maintenance expenses	93,900	93,900	0	0
611	Repairs charged to reserves - Cr.	776,331	776,331	0	0
	Total maintenance expenses	25,363,542	18,027,480	5,335,869	273
	II. Traffic Expenses				
621	Traffic superintendence	1,645,530	1,645,530	0	0
622	Service inspection	804,788	804,788	0	0
623	Clerical operating wages	83,434	83,434	0	0
624	Central office superintendence	1,933,727	1,933,727	0	0
634	Operators' wages	8,139,383	8,139,383	0	0
626	Rest and lunch rooms	62,107	62,107	0	0
627	Operators' schooling	604,255	604,255	0	0
628	Transmission power	766,292	766,292	0	0
629	Central office stationery and printing	135,735	135,735	0	0
630	Messenger service	0	0	0	0
631	Miscellaneous central office expenses	850,176	850,176	0	0
632	Central office supplies and expenses	1,936,585	1,936,585	0	0
633	Pay station expenses	188	188	0	0
634	Other traffic expenses	[illegible]	[illegible]	0	0
	Total traffic expenses	11,368,484	11,368,484	0	0
	III. Commercial Expenses				
640	Commercial administration	358,301	358,301	0	0
642	Advertising	1,051,298	296,387	754,911	0
643	Canvassing	134,689	134,689	0	0
644	Publication expenses	0	0	0	0
645	Promotion expenses	1,183,787	430,876	736,911	0
646	Revenue accounting	93,634	93,634	0	0
647	Revenue collecting	6,634	6,634	0	0
648	Pay station commissions	0	0	0	0
649	Collection expenses	99,188	99,188	0	0
650	Directory expenses	0	0	0	0
650	Other commercial expenses	0	0	0	0
	Total commercial expenses	1,841,356	888,645	[illegible]	0
	IV. General and Miscellaneous Expenses				
661	Salaries of general officers	1,178,334	43,021	[illegible]	16,734
662	Salaries of general office clerks	6,430,110	124,953	[illegible]	8,369
660	General office salaries	7,608,444	170,576	[illegible]	24,403
664	Expenses of general officers and clerks	586,642	9,456	576,476	710
665	General office stationery and printing	487,489	7,837	479,652	0
666	Other general office supplies and expenses	879,844	23,477	[illegible]	1,444
663	General office supplies and expenses	1,953,971	40,970	[illegible]	1,76
667	General law expenses	730,677	730,677	[illegible]	0
668	Insurance	64,670	54,9[illegible]	[illegible]	0
669	Accidents and damages	48,874	48,874	[illegible]	0
670	Law expenses connected with damages	8,362	8,362	[illegible]	[illegible]
672	Relief department and pensions	1,270,956	730,40[illegible]	[illegible]	[illegible]
673	Telephone franchise requirements	671	671	[illegible]	[illegible]
674	Amortization of franchises and patents	0	[illegible]	[illegible]	[illegible]
675	Other general expenses	3,003,506	[illegible]	[illegible]	[illegible]
676	Telephone franchise requirements - Cr.	0	[illegible]	[illegible]	0
671	Miscellaneous general expenses	4,359,133	838,[illegible]	[illegible]	[illegible]
	Total general expenses	18,770,151	[illegible]	[illegible]	[illegible]
	Adjustment for telephone service furnished by Long Lines	[illegible]	[illegible]	126,[illegible]	[illegible]
	Grand Total	$61,143,753	[illegible]	[illegible]	[illegible]

* The column "License Contract Operations" includes certain items which may be considered as part "Holding Company" items. These items are shown for "Holding Company" purposes under Account No. [illegible], Cost of [illegible]

Note: [illegible]

14348

Schedule 320 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1928

Account Number	I.C.C. Classification Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations (Partly Estimated	Holding Company (Incl. Miscellaneous Non-License Contract) Operations* (Partly Estimated)
	I. Maintenance Expenses				
631	Supervision of maintenance	$ 1,684,582	$ 1,684,582	$ 0	$ 0
632	Repairs of aerial plant	6,256,154	6,256,154	0	0
633	Repairs of underground plant	766,838	766,838	0	0
634	Repairs of central office equipment	2,842,316	2,842,316	0	0
635	Repairs of station equipment	687,157	687,157	0	0
636	Repairs of buildings and grounds	287,301	270,385	16,916	192
637	Station removals and changes	86,012	86,012	0	0
638	Depreciation of plant and equipment	11,402,565	11,325,463	76,750	292
639	Extraordinary depreciation	0	0	0	0
640	Other maintenance expenses	73,766	73,766	0	0
641	Repairs charged to reserves - Cr.	1,083,375	1,083,375	0	0
	Total maintenance expenses	22,611,456	22,519,328	93,666	484
	II. Traffic Expenses				
621	Traffic superintendence	1,929,307	1,929,307	0	0
622	Service inspection	229,360	229,360	0	0
623	Clerical operating wages	93,398	93,398	0	0
630	Central office superintendence	2,252,276	2,252,276	0	0
624	Operators' wages	9,056,308	9,056,308	0	0
626	Rest and lunch rooms	62,173	62,173	0	0
627	Operators' schooling	750,414	750,414	0	0
628	Transmission power	1,086,908	1,086,908	0	0
629	Central office stationery and printing	193,645	193,645	0	0
630	Messenger service	0	0	0	0
631	Miscellaneous central office expenses	633,834	633,834	0	0
635	Central office supplies and expenses	2,510,996	2,510,996	0	0
632	Pay station expenses	0	0	0	0
633	Other traffic expenses	[illegible]	[illegible]	0	0
	Total traffic expenses	13,452,755	13,452,755	0	0
	III. Commercial Expenses				
640	Commercial administration	422,105	422,105	0	0
642	Advertising	1,565,142	573,867	991,275	0
643	Canvassing	193,398	193,398	0	0
644	Publicness relations	0	0	0	0
641	Promotion expenses	1,558,787	567,662	991,275	0
646	Revenue accounting	102,458	102,458	0	0
647	Revenue collecting	6,749	6,749	0	0
648	Pay station commissions	0	0	0	0
646	Collection expenses	109,207	109,207	0	0
649	Directory expenses	0	0	0	0
650	Other commercial expenses	0	0	0	0
	Total commercial expenses	2,09[illegible]	1,09[illegible]	991,275	0
	IV. General and Miscellaneous Expenses				
661	Salaries of general officers	1,193,090	66,191	1,126,669	20,210
662	Salaries of general office clerks	7,[illegible]	139,[illegible]	6,[illegible]	36,149
663	General office salaries	8,349,399	185,[illegible]	8,[illegible]	56,359
664	Expenses of general officers and clerks	611,201	9,632	596,733	4,836
665	General office stationery and printing	531,067	7,460	522,779	828
666	Other general office supplies and expenses	959,462	22,951	934,931	1,580
665	General office supplies and expenses	2,101,870	40,043	2,054,443	7,184
667	General law expenses	843,077	196,736	646,341	0
668	Insurance	75,572	68,694	6,878	0
669	Accidents and damages	34,957	34,957	0	0
670	Law expenses connected with damages	4,729	4,729	0	0
672	Relief department and pensions	1,[illegible]	1,049,398	513,531	0
673	Telephone franchise requirements	746	746	0	0
674	Amortization of franchises and patents	0	0	0	0
675	Other general expenses	3,288,084	46,455	3,241,629	0
676	Telephone franchise requirements - Cr.	0	0	0	0
671	Miscellaneous general expenses	4,851,758	1,[illegible]	3,[illegible]	0
	Total general expenses	16,261,165	1,627,361	14,57[illegible]	63,543
	Adjustment for telephone service furnished by Long Lines	x x x	[illegible]	1[illegible]	626
	Grand Total	$34,417,425	$36,[illegible]	$15,762,903	$64,653

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" parties under Account Number "6", Sheet No. 3).

** See figures

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

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K-208

P-10

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF TELEPHONE OPERATING EARNINGS FOR [illegible]

1. [illegible]
2. [illegible] (PARTLY ESTIMATED)
3. HOLDING COMPANY OF ATLANTA (PARTLY ESTIMATED)

SCHEDULE 380 OF [illegible] COMMISSION - YEAR 1929

Account Number	Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations (Partly estimated)	Holding Company (Incl. Miscellaneous Non-License Contract) Operations (Partly estimated)
	I. Maintenance Expenses				
601	Supervision of maintenance	$ 1,881,223	$ 1,881,223	$ 0	$ 0
602	Repairs of aerial plant	7,965,457	7,965,457	0	0
603	Repairs of underground plant	864,203	864,203	0	0
604	Repairs of central office equipment	4,090,868	4,090,868	0	0
605	Repairs of station equipment	691,284	691,284	0	0
606	Repairs of buildings and grounds	488,883	221,189	67,151	545
607	Station removals and changes	83,333	83,333	0	0
608	Depreciation of plant and equipment	13,948,751	13,866,233	81,763	755
609	Extraordinary depreciation	0	0	0	0
610	Other maintenance expenses	51,963	51,963	0	0
611	Repairs charged to reserves - Cr.	1,603,810	1,603,810	0	0
	Total maintenance expenses	38,201,651	38,071,437	138,914	1,300
	II. Traffic Expenses				
621	Traffic superintendence	2,346,334	2,346,334	0	0
622	Service inspection	279,903	279,903	0	0
623	Clerical operating wages	106,859	106,859	0	0
624	Central office superintendence	2,739,098	2,739,098	0	0
625	Operators' wages	9,973,893	9,973,893	0	0
626	Rest and lunch rooms	79,710	79,710	0	0
627	Operators' schooling	953,934	953,934	0	0
628	Transmission power	1,189,751	1,189,751	0	0
629	Central office stationery and printing	207,141	207,141	0	0
630	Messenger service	0	0	0	0
631	Miscellaneous central office expenses	669,184	669,184	0	0
635	Central office supplies and expenses	3,099,730	3,099,730	0	0
636	Pay station expenses	0	0	0	0
639	Other traffic expenses	[illegible]	[illegible]	0	0
	Total traffic expenses	15,568,666	15,568,666	0	0
	III. Commercial Expenses				
641	Commercial administration	368,329	368,329	0	0
642	Advertising	1,917,582	304,056	1,501,970	111,456
643	Canvassing	287,757	287,757	0	0
644	Publicameo relations	0	0	0	0
641	Promotion expenses	2,205,339	793,813	1,501,970	111,456
646	Revenue accounting	103,316	103,316	0	0
647	Revenue collecting	8,122	8,122	0	0
648	Pay station commissions	0	0	0	0
645	Collection expenses	111,436	111,436	0	0
649	Directory expenses	0	0	0	0
651	Other commercial expenses	0	0	0	0
	Total commercial expenses	2,825,613	1,413,243	1,501,970	111,456
	IV. General and Miscellaneous Expenses				
661	Salaries of general officers	1,251,841	49,819	1,159,656	42,326
662	Salaries of general office clerks	7,858,725	139,641	7,643,529	75,573
663	General office salaries	8,910,566	189,460	8,803,185	117,899
664	Expenses of general officers and clerks	655,174	11,514	626,831	16,829
665	General office stationery and printing	62,451	8,146	614,242	3,163
666	Other general office supplies and expenses	1,993,883	23,774	1,963,443	6,666
667	General office supplies and expenses	2,374,510	43,394	2,334,496	46,620
667	General law expenses	764,169	210,261	541,908	0
668	Insurance	61,882	52,688	6,674	0
669	Accidents and damages	54,702	49,578	5,124	0
670	Law expenses connected with damages	8,410	8,410	0	0
671	Relief department and pensions	1,997,431	1,397,443	599,988	0
672	Telephone franchise requirements	829	829	0	
674	Amortization of franchises and patents	0	0	0	
675	Other general expenses	4,421,[illegible]	8,[illegible]96	4,[illegible],236	
678	Telephone franchise requirements - Cr.	[illegible]	[illegible]	[illegible]	
679	Miscellaneous general expenses	8,279,284	1,479,252	6,[illegible],[illegible]8	
	Total general expenses	10,442,[illegible]19	8,[illegible],603	1,[illegible],385	168,515
	Adjustment for telephone service furnished by Long Lines	[illegible]	134,564 **	131,[illegible]12	[illegible]
	Grand Total	469,343,783	366,959,663	217,8[illegible],[illegible]	[illegible]

* The column "License Contract Operations" includes certain items which may be contained in part "Holding Company" items. (See explanation for "Holding Company" portion under "Note" sheet No. 3.

** [illegible]

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

14350

[illegible]

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT V TELEPHONE OPERATING EXPENSES REPORTED SEPARATELY

1. LONG LINES DEPARTMENT OPERATIONS

2. LICENSE CONTRACT OPERATIONS

3. HOLDING COMPANY OPERATIONS (PARTLY ESTIMATED)

SCHEDULE 330 OF ANNUAL REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1930

Account Number	I.C.C. Classification Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations* (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-License Contract) Operations* (Partly Estimated)
	I. Maintenance Expenses				
601	Supervision of maintenance	$ 2,548,250	$ 2,548,250	$ 0	$ 0
602	Repairs of aerial plant	6,000,533	6,000,533	0	0
603	Repairs of underground plant	1,008,983	1,008,983	0	0
604	Repairs of central office equipment	5,507,029	5,507,029	0	0
605	Repairs of station equipment	726,830	726,830	0	0
606	Repairs of buildings and grounds	385,880	330,336	65,804	180
607	Station removals and changes	97,606	97,606	0	0
608	Depreciation of plant and equipment	17,967,188	17,857,860	88,696	786
609	Extraordinary depreciation	0	0	0	0
610	Other maintenance expenses	140,641	140,641	0	0
611	Repairs charged to reserves - Cr.	1,000,330	1,000,330	0	0
	Total maintenance expenses	33,161,364	33,008,638	154,800	966
	II. Traffic Expenses				
621	Traffic superintendence	2,652,781	2,652,781	0	0
622	Service inspection	304,648	304,648	0	0
623	Clerical operating wages	135,171	135,171	0	0
624	Central office superintendence	3,113,730	3,113,730	0	0
626	Operators' wages	10,638,263	10,638,263	0	0
626	Rest and lunch rooms	79,438	79,438	0	0
627	Operators' schooling	633,533	633,533	0	0
628	Transmission power	1,189,626	1,189,626	0	0
629	Central office stationery and printing	140,284	140,284	0	0
630	Messenger service	0	0	0	0
631	Miscellaneous central office expenses	921,781	921,781	0	0
632	Central office supplies and expenses	2,963,685	2,961,685	0	0
633	Pay station expenses	0	-	0	0
634	Other traffic expenses	[illegible]	[illegible]	0	0
	Total traffic expenses	16,463,338	16,463,338	0	0
	III. Commercial Expenses				
640	Commercial administration	513,377	513,377	0	0
641	Advertising	1,977,968	341,652	1,303,662	130,838
642	Canvassing	35,914	880,914	0	0
643	Publicness relations	0	0	0	0
641	Promotion expenses	2,888,863	891,366	1,303,662	130,838
644	Revenue accounting	98,616	98,616	0	0
645	Revenue collecting	9,970	9,970	0	0
646	Pay station commissions	0	0	0	0
648	Collection expenses	108,586	108,586	0	0
649	Directory expenses	0	0	0	0
650	Other commercial expenses	0	0	0	0
	Total commercial expenses	3,930,024	1,318,877	1,303,662	130,838
	IV. General and Miscellaneous Expenses				
661	Salaries of general officers	1,843,416	73,801	1,232,801	56,712
662	Salaries of general office clerks	8,778,377	181,116	8,683,118	113,143
663	General office salaries	10,161,791	255,017	9,716,919	171,855
664	Expenses of general officers and clerks	611,171	14,434	572,823	22,916
665	General office stationery and printing	729,162	10,753	708,236	10,173
666	Other general office supplies and expenses	1,248,613	29,044	1,207,635	11,934
667	General office expenses and supplies	2,587,746	54,251	2,488,514	44,981
667	General law expenses	869,911	278,329	591,582	0
668	Insurance	85,225	63,390	21,835	0
669	Accidents and damages	82,639	82,639	0	0
67	Law expenses connected with damages	6,382	6,382	0	0
672	Relief department and pensions	2,253,307	1,594,650	656,657	0
673	Telephone franchise requirements	1,484	1,484	0	0
674	Amortization of franchises and patents	0	0	0	0
675	Other general expenses	7,351,594	62,858	7,026,990	261,646
676	Telephone franchise requirements - Cr.	0	0	0	0
67[illegible]	Misc. [illegible] general expenses	8,605,985	1,66[illegible],892	7,683,647	261,646
	Total general expenses	23,379,677	2,[illegible],698	20,[illegible],089	478,482
	Adjustment for telephone service furnished by Long Lines	[illegible]	[illegible]	151,855	1,689
	Grand Total	$73,954,313	$53,220,647	$24,[illegible],914	$812,852

* The column "License Contract Operations" includes certain items which may be considered as part "Holding Company" items. (See adjustment for "Holding Company" portion under "Cr." on Sheet V-3)

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

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Sheet

K-208

P-12

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF TELEPHONE OPERATING EXPENSES (SYSTEM SEPARATE)

1. LONG LINES DEPARTMENT OPERATIONS
2. [illegible]
3. [illegible] OF LICENSEE COMPANIES
4. [illegible]

SCHEDULE 320 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1931

Account Number	I.C.C. Classification Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations (Partly Estimated)*	Permanent Investments in Licensee Companies*	Other Activities (Partly Estimated)
	I. Maintenance Expenses					
601	Supervision of maintenance	$ 2,156,733	$ 2,156,733	$ 0	$ 0	$ 0
602	Repairs of aerial plant	3,705,682	3,705,682	0	0	0
603	Repairs of underground plant	794,179	794,179	0	0	0
604	Repairs of central office equipment	5,043,730	5,043,730	0	0	0
605	Repairs of station equipment	572,671	572,671	0	0	0
606	Repairs of buildings and grounds	449,785	422,693	26,997	0	95
607	Station removals and changes	105,536	105,536	0	0	0
608	Depreciation of plant and equipment	19,312,299	19,215,170	96,204	0	925
609	Extraordinary depreciation	0	0	0	0	0
610	Other maintenance expenses	165,678	165,678	0	0	0
611	Repairs charged to reserves - Cr.	310,362	310,362	0	0	0
	Total maintenance expenses	31,995,931	31,871,710	123,201	0	1,020
	II. Traffic Expenses					
621	Traffic superintendence	2,417,708	2,417,708	0	0	0
622	Service inspection	218,159	218,159	0	0	0
623	Clerical operating wages	124,492	124,492	0	0	0
624	Central office superintendence	2,760,359	2,760,359	0	0	0
625	Operators' wages	8,874,548	8,874,548	0	0	0
626	Rest and lunch rooms	59,876	59,876	0	0	0
627	Operators' schooling	126,396	126,396	0	0	0
628	Transmission power	1,279,238	1,279,238	0	0	0
629	Central office stationery and printing	149,432	149,432	0	0	0
630	Messenger service	0	0	0	0	0
631	Miscellaneous central office expenses	924,975	924,975	0	0	0
632	Central office supplies and expenses	2,569,917	2,569,917	0	0	0
634	Pay station expenses	0	0	0	0	0
635	Other traffic expenses	335,839 *	335,839 *	0	0	0
	Total traffic expenses	13,869,015	13,869,015	0	0	0
	III. Commercial Expenses					
640	Commercial administration	453,569	453,569	0	0	0
642	Advertising	1,852,703	478,892	1,263,035	0	110,776
643	Canvassing	368,658	368,658	0	0	0
644	Publications	0	0	0	0	0
		2,221,361	847,550	1,263,035	0	110,776
646	Franchise expenses	85,893	85,893	0	0	0
646	Revenue accounting	9,798	9,798	0	0	0
647	Revenue collecting	0	0	0	0	0
648	Pay station commissions	95,691	95,691	0	0	0
649	Collection expenses	304	304	0	0	0
650	Directory expenses	0	0	0	0	0
	Other commercial expenses	2,770,925	1,397,114	1,263,035	0	110,776
	Total commercial expenses					
	IV. General and Miscellaneous Expenses					
661	Salaries of general officers	1,520,401	84,806	1,386,495	0	47,100
662	Salaries of general office clerks	8,078,186	197,624	7,749,961	0	130,601
660	General office salaries	9,598,587	284,430	9,136,456	0	177,701
664	Expenses of general officers and clerks	442,542	7,731	413,710	0	21,101
665	General office stationery and printing	510,017	10,781	492,856	0	6,380
666	Other general office supplies and expenses	1,126,296	33,286	1,078,996	0	14,076
663	General office supplies and expenses	2,078,855	51,736	1,985,562	0	41,557
667	General law expenses	981,319	279,949	701,370	0	0
668	Insurance	86,593	76,301	10,292	0	0
669	Accidents and damages	37,692	37,682	10	0	0
670	Law expenses connected with damages	4,446	4,446	0	0	0
672	Relief department and pensions	2,186,007	1,469,678	716,329	0	0
673	Telephone franchise requirements	855	855	0	0	0
674	Amortization of franchises and patents	0	0	0	0	0
675	Other general expenses	6,010,545	79,866	5,930,659	0	0
676	Telephone franchise requirements - Cr.	0	0	0	0	0
671	Miscellaneous general expenses	9,197,907	1,350,419	8,646,988	0	219,358
	Total general expenses	30,984,899	2,284,963	18,480,678		
	Adjustment for telephone service furnished by Long Lines	x x x	174,085 *	174,643	40	3,442
	Grand Total	$69,680,770	$69,244,717	$20,041,557	$ 0	$334,496

* The column "License Contract Operations" includes certain items of costs which may be considered allocable in part under "Permanent Investments in Licensee Companies" or under "Other Activities". These items comprise the costs incurred jointly for License Contract services and for other activities of the company. (See adjustment in respect of such items under Account Number "6", sheet No. 5.)

Note A. Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

* Tel figures

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EXTRACTS FROM EXHIBIT X-211

BELL TELEPHONE LABORATORIES
INCORPORATED
COMMERCIAL RELATIONS DEPARTMENT

REPORT M-8.00

March 14, 1925.

BALANCE SHEET
December 31, 1924

(X-211 - 5 SHEETS)
(1924, 1925, 1929, 1930)

P-1

ASSETS

PLANT INVESTMENT		
PERMANENT PLANT COST OF LAND BUILDINGS AND PERMANENT FIXTURES	-	
GENERAL EQUIPMENT COST OF OFFICE FURNITURE AND FIXTURES MACHINERY AND TOOLS	-	
PLANT IN PROCESS COST OF PLANT IN PROCESS OF CONSTRUCTION AND NOT READY FOR SERVICE	-	-
MERCHANDISE INVESTMENT		
STOCK MATERIALS VALUE OF MATERIALS AND SUPPLIES IN STOREROOMS	-	
WORK IN PROCESS COST OF WORK GENERALLY BILLABLE THE FOLLOWING MONTH	-	-
CASH WORKING CAPITAL CASH ON HAND AND IN BANK		$100,000.00
ACCOUNTS RECEIVABLE CURRENT ACCOUNTS WITH CUSTOMERS AND EMPLOYEES		-
DEFERRED DEBIT ITEMS		
GUARANTEE DEPOSITS GUARANTEE DEPOSIT REQUIRED BY WORKMEN'S COMPENSATION LAW AND OTHER DEPOSITS TO GUARANTEE PERFORMANCE OF CONTRACTS	-	
PREPAYMENTS ADVANCE PAYMENTS FOR RENT AND INSURANCE	-	-
TOTAL ASSETS		$100,000.00

LIABILITIES

CAPITAL STOCK PAR VALUE OF COMMON STOCK	$100,000.00
NOTES PAYABLE BORROWINGS	-
ACCOUNTS PAYABLE CURRENT ACCOUNTS OF MISCELLANEOUS NATURE, GENERALLY PAYABLE THE FOLLOWING MONTH	-
ACCRUED LIABILITIES NOT DUE INTEREST AND TAXES PAYABLE IN A SUBSEQUENT PERIOD	-
RESERVES	
DEPRECIATION ON PLANT DEPRECIATION ON PERMANENT AND GENERAL PLANT EQUIPMENT	-
EMPLOYEES' BENEFIT FUND APPROPRIATIONS IN ACCORDANCE WITH EMPLOYEES BENEFIT FUND PLAN	-
TOTAL LIABILITIES	$100,000.00

COPIES TO President
Executive Vice President
Vice President
Controller, Bell Tel. Co.
Controller, W.E.Co.

14353

GENERAL AUDITOR

9090

BELL TELEPHONE LABORATORIES
INCORPORATED
COMMERCIAL RELATIONS DEPARTMENT

EXHIBIT X-211

REPORT M[illegible]
March 1, 19[illegible]
X-211
P.

BALANCE SHEET
January 1, 1925.

ASSETS

PLANT INVESTMENT		
PERMANENT PLANT COST OF LAND BUILDINGS AND PERMANENT FIXTURES	$2,650,000.00	
GENERAL EQUIPMENT COST OF OFFICE FURNITURE AND FIXTURES MACHINERY AND TOOLS	2,391,969.32	
PLANT IN PROCESS COST OF PLANT IN PROCESS OF CONSTRUCTION AND NOT READY FOR SERVICE	209,906.14	$5,251,875.46
MERCHANDISE INVESTMENT		
STOCK MATERIALS VALUE OF MATERIALS AND SUPPLIES IN STOREROOMS	$152,785.00	
WORK IN PROCESS COST OF WORK GENERALLY BILLABLE THE FOLLOWING MONTH	349,362.00	502,147.00
CASH WORKING CAPITAL CASH ON HAND AND IN BANK		100,000.00
ACCOUNTS RECEIVABLE CURRENT ACCOUNTS WITH CUSTOMERS AND EMPLOYEES		15,306.38
DEFERRED DEBIT ITEMS		
GUARANTEE DEPOSITS GUARANTEE DEPOSIT REQUIRED BY WORKMEN'S COMPENSATION LAW AND OTHER DEPOSITS TO GUARANTEE PERFORMANCE OF CONTRACTS		
PREPAYMENTS ADVANCE PAYMENTS FOR RENT AND INSURANCE	$6,656.51	6,656.51
TOTAL ASSETS		$5,876,186.39

LIABILITIES

CAPITAL STOCK PAR VALUE OF COMMON STOCK		$100,000.00
NOTES PAYABLE BORROWINGS		4,552,146.00
ACCOUNTS PAYABLE CURRENT ACCOUNTS OF MISCELLANEOUS NATURE GENERALLY PAYABLE THE FOLLOWING MONTH		127,199.88
ACCRUED LIABILITIES NOT DUE INTEREST AND TAXES PAYABLE IN A SUBSEQUENT PERIOD		
RESERVES		
DEPRECIATION ON PLANT DEPRECIATION ON PERMANENT AND GENERAL PLANT EQUIPMENT	$1,096,839.65	
EMPLOYEES' BENEFIT FUND APPROPRIATIONS IN ACCORDANCE WITH EMPLOYEES' BENEFIT FUND PLAN	-	1,096,839.65
TOTAL LIABILITIES		$5,876,186.39

COPIES TO President
Executive Vice President
Vice President
Controller, A.T.&T. Co.
Comptroller, W.E.Co.

GENERAL AUDITOR

14354

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Exhibit X 211—Continued

[fol. 14355] The assets appearing on the balance sheet of the Bell Telephone Laboratories, Inc., as of January 1, 1925, were carried upon the books of the Western Electric Company prior to such transfer in the following amounts:

*Permanent Plant	$1,001,554
*General Equipment	830,972
*Plant in Process	209,906
*Total Plant	2,042,432
Stock Materials Work in Process	502,147
Accounts Receivable	15,506
Prepayments	6,657
	2,566,742
Less Accounts Payable	127,200
Total	$2,439,542

The West Street plant was sold by the Western Electric Company to the Bell Telephone Laboratories on the following bases:

Permanent Plant on the Basis of Appraisal by Horace S. Ely and Company.

General Equipment at cost as carried on the books of the Western Electric Company less depreciation determined by the application of the following rates to such face value:

Machinery, Furniture and Fixtures	45%
Small Tools	75
Plant in Process	At cost at which carried on the books of the Western Electric Company.

*Book cost less reserves for depreciation.

September 25, 1931.

Exhibit X 217

American Telephone and Telegraph Company

Miscellaneous Non-Operating Revenues (Account 316)

Year 1923

Restaurant activities:	
Soda shop	$9,859
Cafeteria	18,902
Bake shop	3,420
Total	$32,181
Royalties from Western Electric Company on sales of special commercial products	94,977
Radio broadcasting license fees	2,500
Miscellaneous Long Lines items	4,478
Other miscellaneous minor items	184
Total	$134,320

September 21, 1931.

Exhibit X 217—Continued

[fol. 14356] American Telephone and Telegraph Company

Miscellaneous Non-Operating Revenues (Account 316)

Year 1924

Restaurant activities:	
Soda shop	
Cafeteria	
Bake shop	
Total	
Royalties from Western Electric Company on sales of special commercial products	
Radio broadcasting license fees	
Miscellaneous Long Lines items	
Other miscellaneous minor items	
Total	

September 21, 1931.

American Telephone and Telegraph Company

Miscellaneous Non-Operating Revenues (Account 316)

Year 1925

Restaurant activities:	
Soda shop	
Cafeteria	
Bake Shop	
Total Restaurant Activities	
Western Electric Company—royalties and analogous items:	
Electrical recording of sound for the making of phonograph records	
Mechanical reproduction of sound from phonograph records	
For exclusive license granted under patents for telephone appliances	
Sales by Western Electric Company of special commercial products	
Total from Western Electric Company	
Radio broadcasting license fees	
Judgment for infringement of patents by the Radio Audion Co. and De Forest Radio Tel. and Tel. Co.	
Miscellaneous Long Lines items	
Other miscellaneous minor items	
Total	

September 21, 1931.

Exhibit X 217—Continued

[fol. 14357] American Telephone and Telegraph Company

Miscellaneous Non-Operating Revenues (Account 316)

Year 1926

Western Electric Company—royalties and analogous items:		
Electrical recording of sound for the making of phonograph records		$10,513
Mechanical reproduction of sound from phonograph records		83,132
Sales by Western Electric Company of special commercial products		77,417
Total from Western Electric Company		$171,062
Radio broadcasting license fees		89,917
Difference between interest collected from the makers and interest paid to the purchasers of securities temporarily sold under option agreements:		
	Description of Securities	
Option Agreements With Western Electric Company	Kansas City Tel. Co. 5% Bonds 1932	18,973
	Pacific Tel. and Tel. Co. 6% Demand Notes	26,156
New England Tel. and Tel. Co.	Pacific Tel. and Tel. Co. 6% Demand Notes	24,934
Miscellaneous Long Lines items		27,779
Other miscellaneous minor items		301
Total		$359,122

September 21, 1931.

American Telephone and Telegraph Company

Miscellaneous Non-Operating Revenues (Account 316)

Year 1927

Western Electric Company—royalties and analogous items:	
Electrical recording of sound for the making of phonograph records	$19,224
Mechanical reproduction of sound from phonograph records	148,538
Recording and reproducing sound in timed relation with the taking and projection of pictures	29,883
Singer patent (linemen's shields)	442
For exclusive license granted under patents for telephone appliances	33,489
Sales by Western Electric Company of special commercial products	203,223
Total from Western Electric Company	$434,799
Atlantic Precision Company—royalty	1,167
Radio broadcasting license fees	104,460
Excess of 1.13% received on the 5.88% notes of the Pacific Tel. and Tel. Co., temporarily sold to the Western Electric Company on a 4.75% basis under option agreement	39,927
Miscellaneous Long Lines items	51,452
Other miscellaneous minor items	175
Total	$631,980

September 21, 1931.

Exhibit X 217—Continued

[fol. 14358] American Telephone and Telegraph Company

Miscellaneous Non-Operating Revenues (Account 316)

Year 1928

Western Electric Company—royalties and analogous items:	
Electrical recording of sound for the making of phonograph records	$24,646
Mechanical reproduction of sound from phonograph records	138,102
Recording and reproducing sound in timed relation with the taking and projection of pictures	43,010
Singer patent (linemen's shields)	1,212
For exclusive license granted under patents for telephone appliances	16,250
Sales by Western Electric Company of special commercial products	218,298
Total from Western Electric Company	$441,518
Atlantic Precision Company—royalty	579
Radio broadcasting license fees	63,706
Miscellaneous Long Lines items	8,504
Other miscellaneous minor items	125
Total	$514,532

September 21, 1931.

American Telephone and Telegraph Company

Miscellaneous Non-Operating Revenues (Account 316)

Year 1929

Western Electric Company—royalties and analogous items:	
Electrical recording of sound for the making of phonograph records	$21,207
Mechanical reproduction of sound from phonograph records	36,288
Recording and reproducing sound in timed relation with the taking and projection of pictures	245,140
Singer patent (linemen's shields)	1,641
Trailer and winch equipment	479
For exclusive license granted under patents for telephone appliances	11,775
Sales by Western Electric Company of special commercial products	899,934
Total from Western Electric Company	$1,216,570
Royalties received from:	
Atlantic Precision Company	1,200
Stromberg-Carlson Telephone Manufacturing Company	711
Radio broadcasting license fees	14,451
Excess of .55% received on 5.88% notes of the Michigan Bell Telephone Company temporarily sold to the Southern Bell Tel. and Tel. Co. on a 5.33% basis under option agreement	10,000
Miscellaneous Long Lines items	13,700
Other miscellaneous minor items	120
Total	$1,257,000

September 21, 1931.

Exhibit X 217—Continued

[Folio 14359-14379] American Telephone and Telegraph Company

Miscellaneous Non-Operating Revenues (Account 316)

Year 1930

Western Electric Company—royalties and analogous items:	
Electrical recording of sound for the making of phonograph records	$26,372
Mechanical reproduction of sound from phonograph records	35,715
Recording and reproducing sound in timed relation with the taking and projection of pictures	526,242
Singer patent (linemen's shields)	1,849
Trailer and winch equipment	2,032
Carbon monoxide detectors	36
Deflection dynometers	24
For exclusive license granted under patents for telephone appliances	20,000
Sales by Western Electric Company of special commercial products	514,653
Total from Western Electric Company	$1,126,923
Royalties received from:	
Atlantic Precision Company	957
Cameron Surgical Specialty Company	357
Radio Products Company	401
Stromberg-Carlson Telephone Manufacturing Company	720
Supreme Instruments Corporation	798
Radio broadcasting license fees (net refund)	500*
Fees of 55% received on 5.88% notes of the Michigan Bell Telephone Company temporarily sold to the Southern Bell Tel. and Tel. Co. on a 5.33% basis under option agreement	13,846
Miscellaneous Long Lines items	32,980
Other miscellaneous minor items	57
Total	$1,176,539

* Red figure.

September 21, 1931.

[Vol. 14380] EXHIBIT X-225

American Telephone and Telegraph Company

Funds of Associated Companies Temporarily Placed with American Tel. and Tel. Co. Until Required by Them (Average), Years 1923 to 1930

	Total All Companies, Daily Average	Illinois Bell Tel. Co., Daily Average
1923	$11,900,210	$5,720,639
1924	29,339,760	6,961,314
1925	15,632,046	474,875
1926	7,057,854	.....
1927	5,324,907	3,098,840
1928	1,298,549	9,644
1929	999,625	97,222
1930	9,808,864	9,779,906

September 24, 1931.

(Here follows 1 photo, Exhibit X-227–X-228, folios 14
and 14382)

EXHIBIT X-227

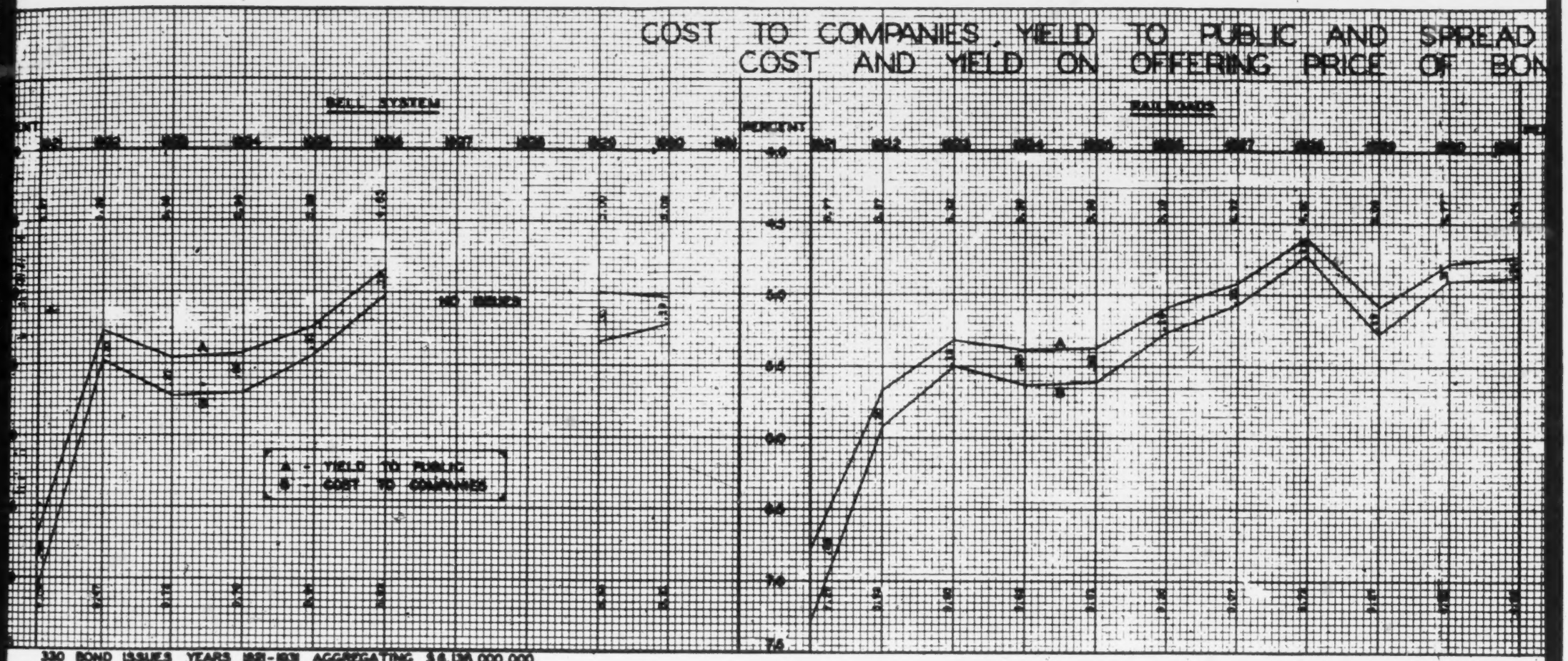


EXHIBIT X-227

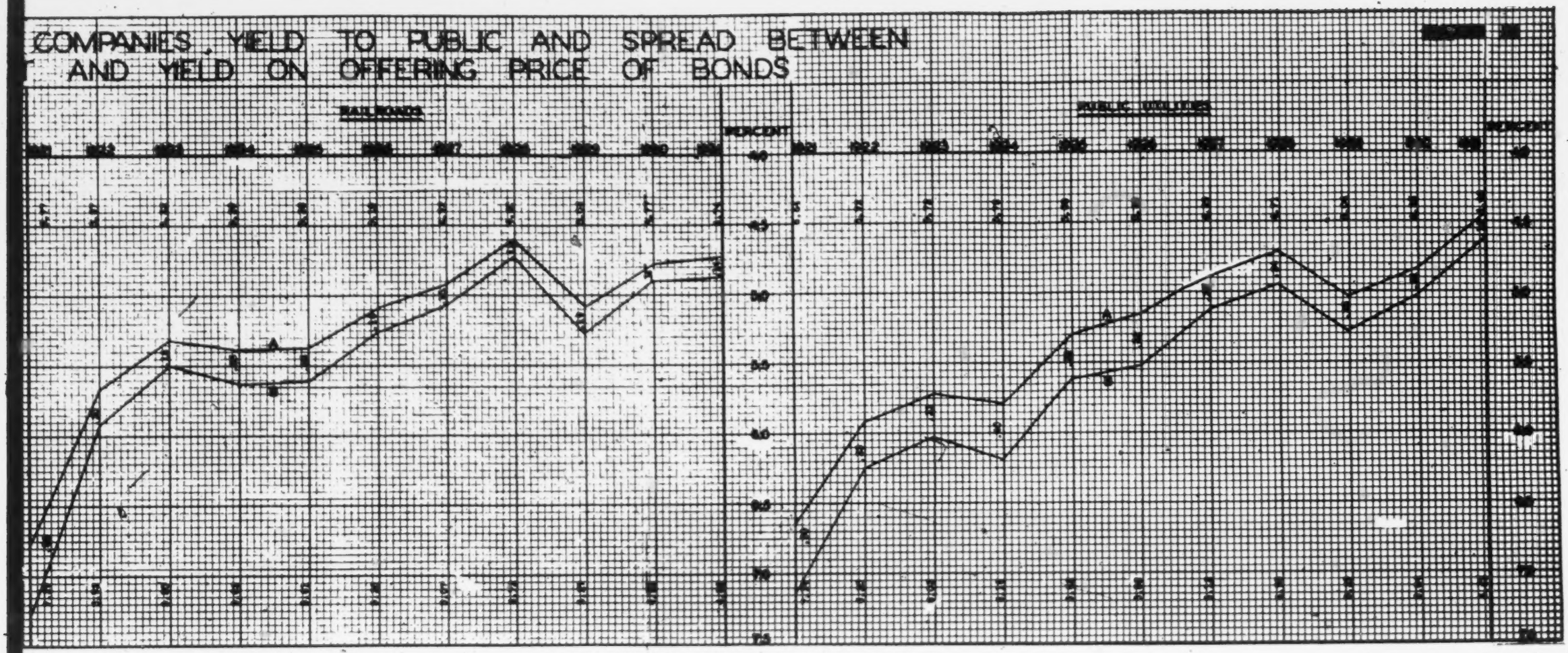
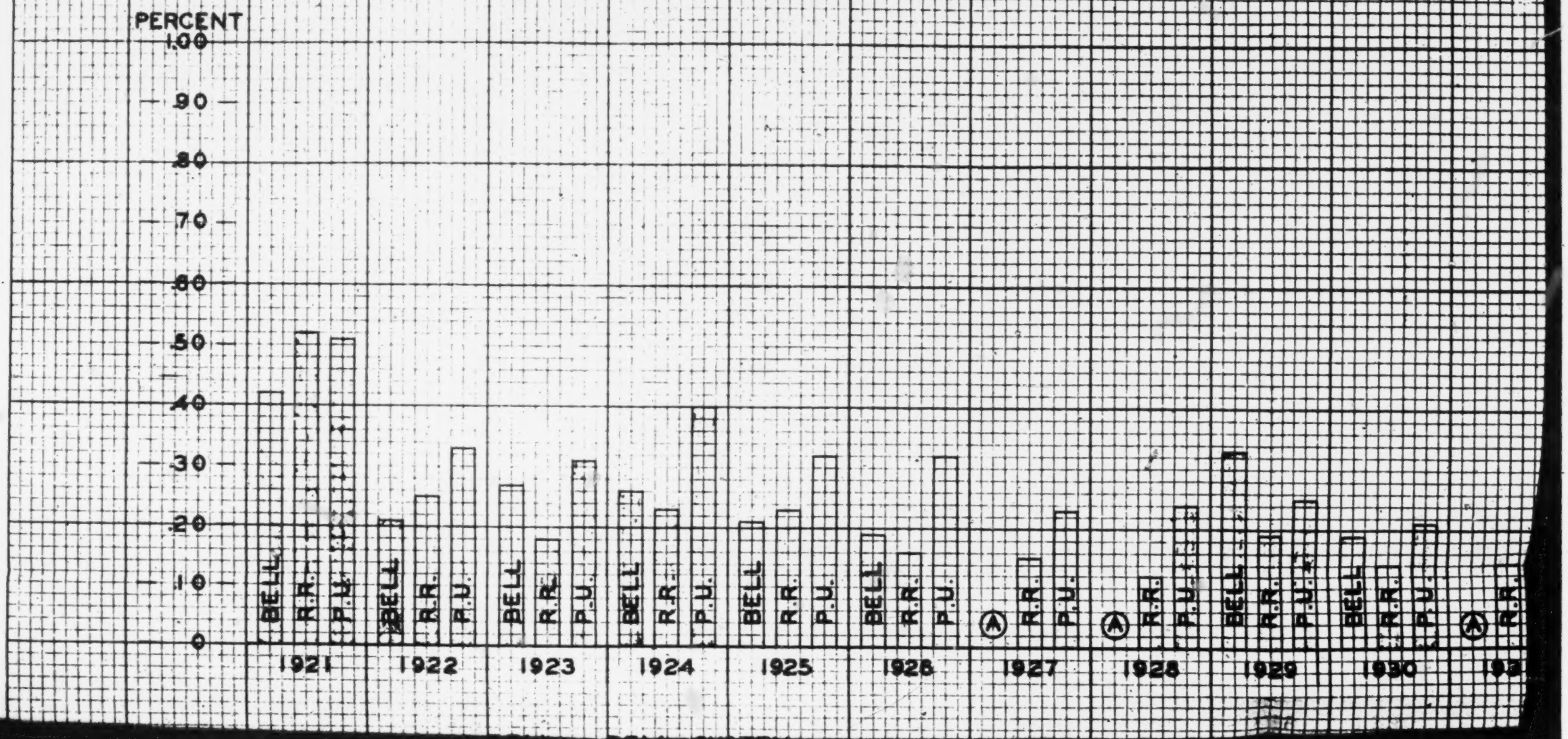


EXHIBIT X-228

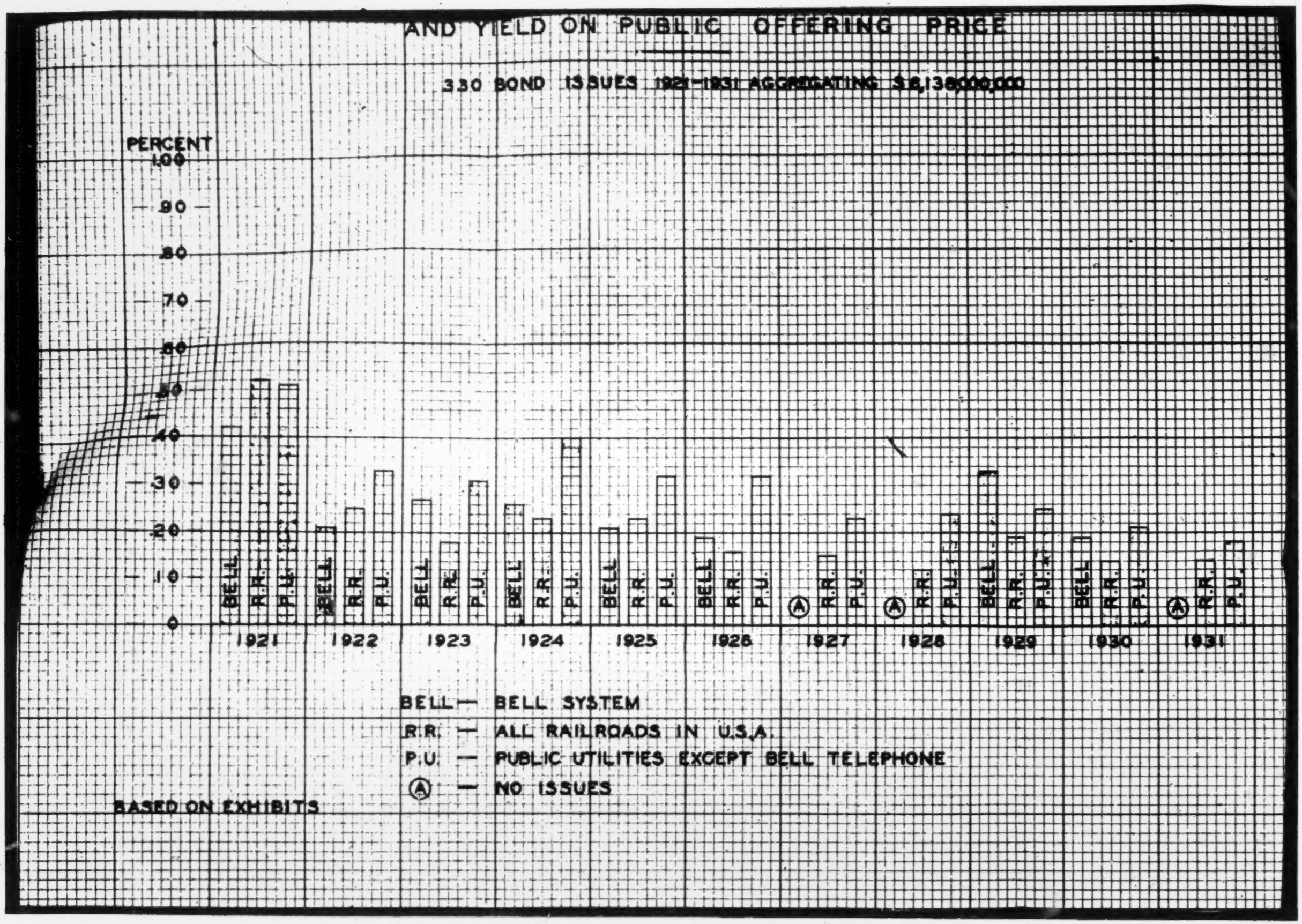
SPREAD BETWEEN ANNUAL COST TO COMPANY AND YIELD ON PUBLIC OFFERING PRICE

330 BOND ISSUES 1921-1931 AGGREGATING $8,138,000,000



AND YIELD ON PUBLIC OFFERING PRICE

330 BOND ISSUES 1921–1931 AGGREGATING $8,138,000,000



BELL — BELL SYSTEM

R.R. — ALL RAILROADS IN U.S.A.

P.U. — PUBLIC UTILITIES EXCEPT BELL TELEPHONE

Ⓐ — NO ISSUES

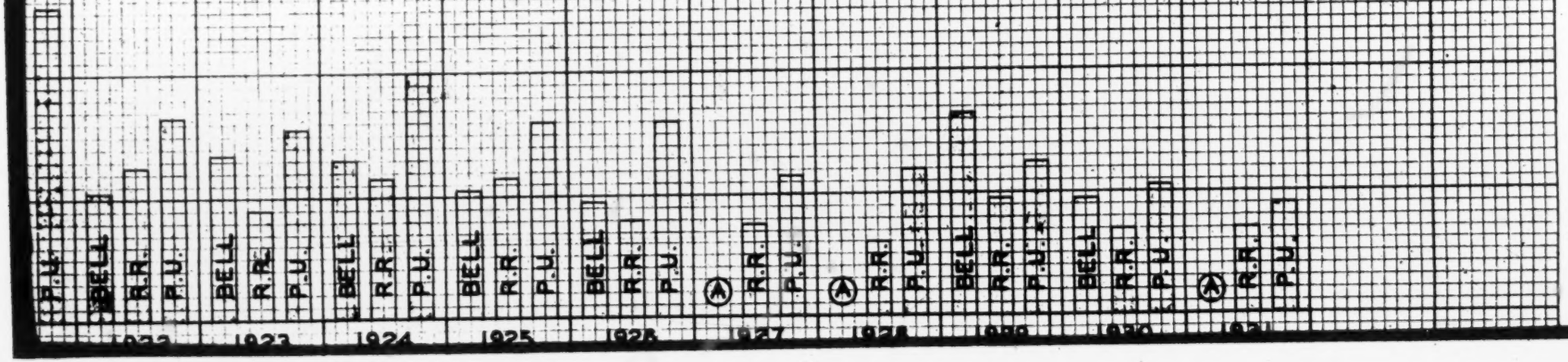
BASED ON EXHIBITS

EXHIBIT X-228

SPREAD BETWEEN ANNUAL COST TO COMPANY AND YIELD ON PUBLIC OFFERING PRICE

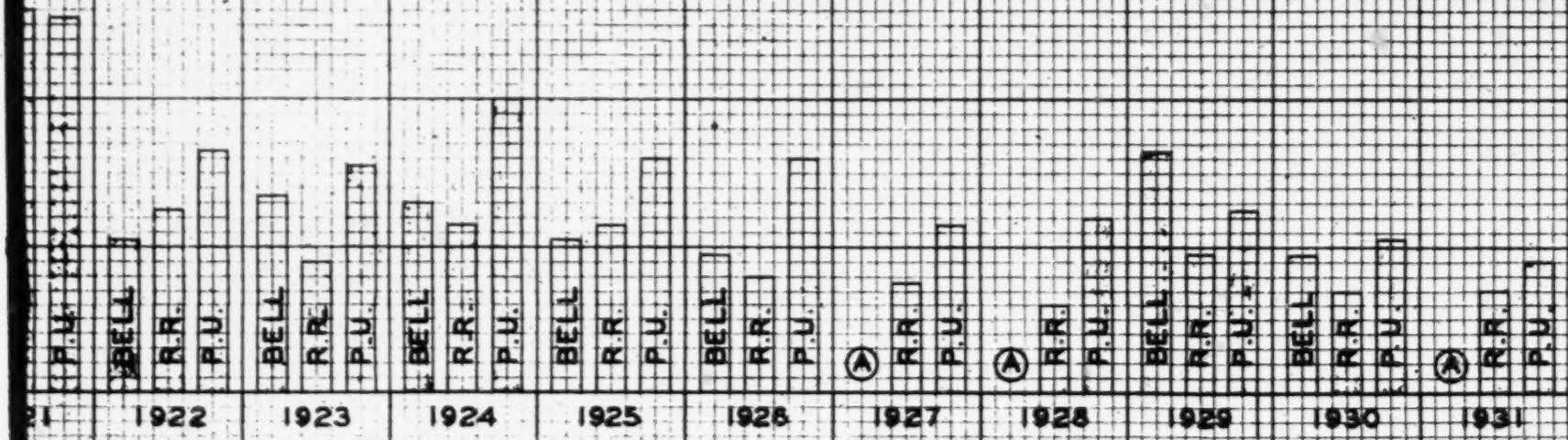
330 BOND ISSUES 1921-1931 AGGREGATING $8,138,000,000

[redacted]



AND YIELD ON INSIDE OFFERING PRICE

330 BOND ISSUES 1921-1931 AGGREGATING $8,138,000,000



BELL — BELL SYSTEM
R.R. — ALL RAILROADS IN U.S.A.
P.U. — PUBLIC UTILITIES EXCEPT BELL TELEPHONE
Ⓐ — NO ISSUES

BITS

[fol. 14383]

EXHIBIT X-229

Comparative Statement Showing Cost to Companies and Yield to Public on Bonds Issued by Bell System, Railroads, and Public Utilities (Other Than Bell System)

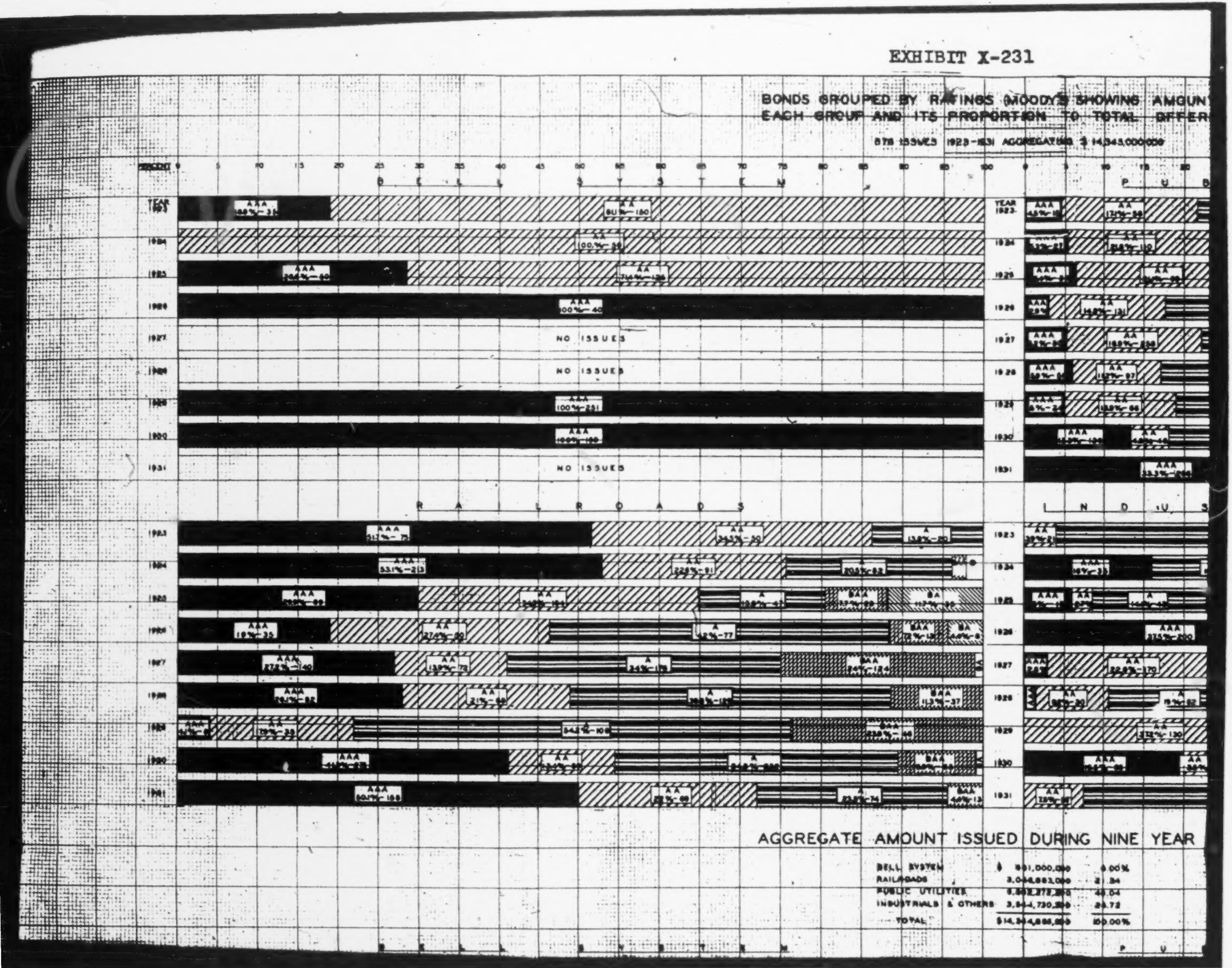
Average for Each Year, 1921 to 1931, Inclusive

Year	Cost to Company			Yield to Public			Spread Between Average Cost to Company and Average Yield to Public		
	Bell System	Railroads	Public Utilities*	Bell System	Railroads	Public Utilities*	Bell System	Railroads	Public Utilities*
	%	%	%	%	%	%	%	%	%
1921	7.09	7.29	7.14	6.67	6.77	6.64	.42	.52	.50
1922	5.47	5.92	6.25	5.26	5.67	5.92	.21	.25	.33
1923	5.72	5.50	6.03	5.45	5.32	5.72	.27	.18	.31
1924	5.70	5.62	6.18	5.44	5.39	5.78	.26	.23	.40
1925	5.44	5.61	5.62	5.23	5.38	5.30	.21	.23	.32
1926	5.02	5.26	5.52	4.83	5.10	5.20	.19	.16	.32
1927	....	5.07	5.12	....	4.92	4.89	...	.15	.23
1928	....	4.72	4.95	.....	4.60	4.71	...	.12	.24
1929	5.33	5.27	5.29	5.00	5.08	5.04	.33	.19	.25
1930	5.21	4.90	5.04	5.02	4.77	4.83	.19	.13	.21
1931	....	4.88	4.63	....	4.74	4.45	...	.14	.18
Average—Years 1921 to 1931	5.62	5.40	5.43	5.37	5.20	5.14	.25	.20	.29
Average—Years 1923 to 1931	5.44	5.14	5.27	5.22	4.97	5.01	.22	.17	.26

* Includes Issues reported by State Public Service Commissions—Aggregating for period 1921-1931 ..... $1,754,129,000

6606

EXHIBIT X-231



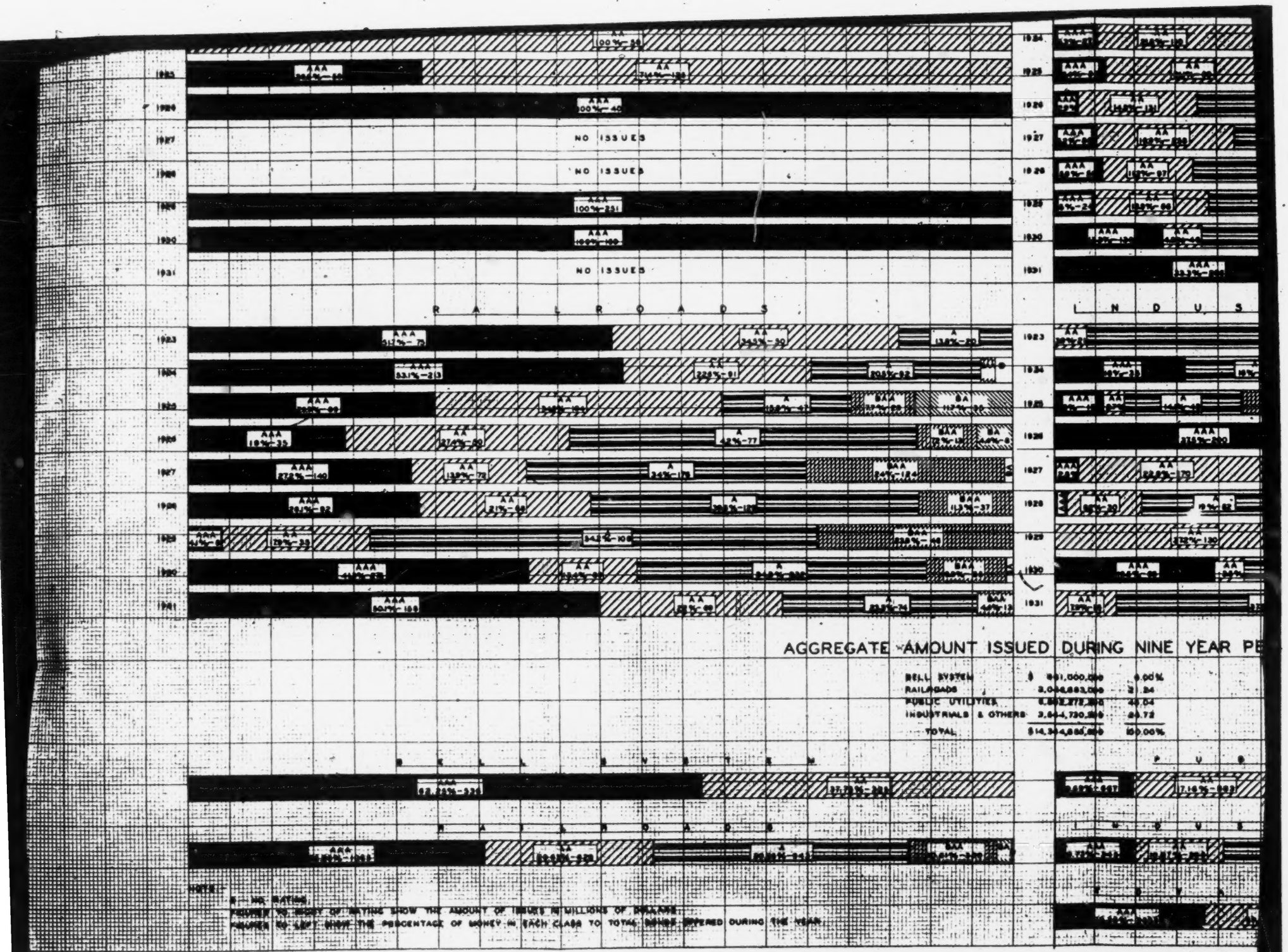
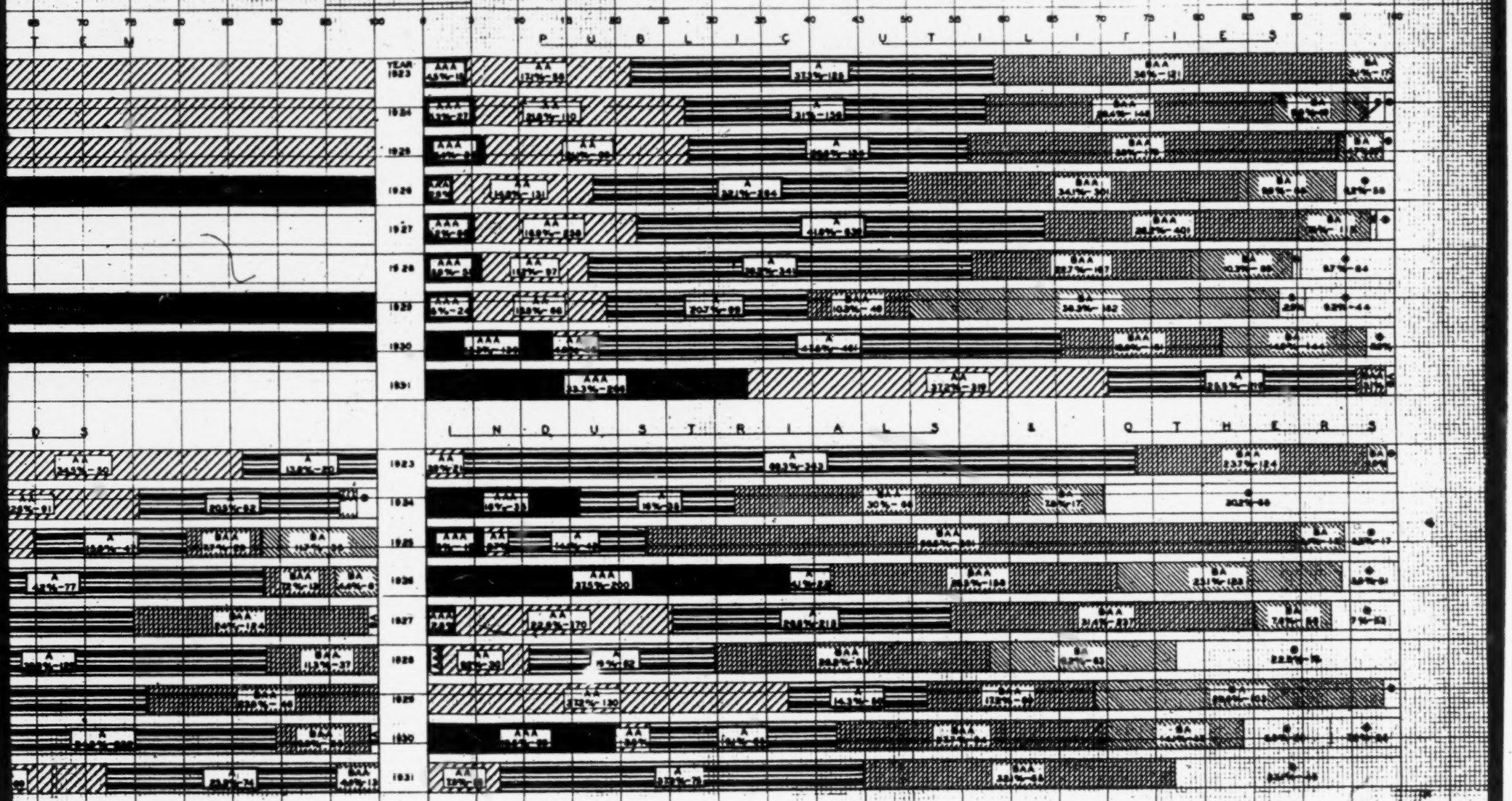

1925
1926
1927
1928
1929
1930
1931
NO ISSUES
NO ISSUES
R A I L R O A D S
L N D U S
AGGREGATE AMOUNT ISSUED DURING NINE YEAR PE
BELL SYSTEM
RAILROADS
PUBLIC UTILITIES
INDUSTRIALS & OTHERS
TOTAL
NOTE:

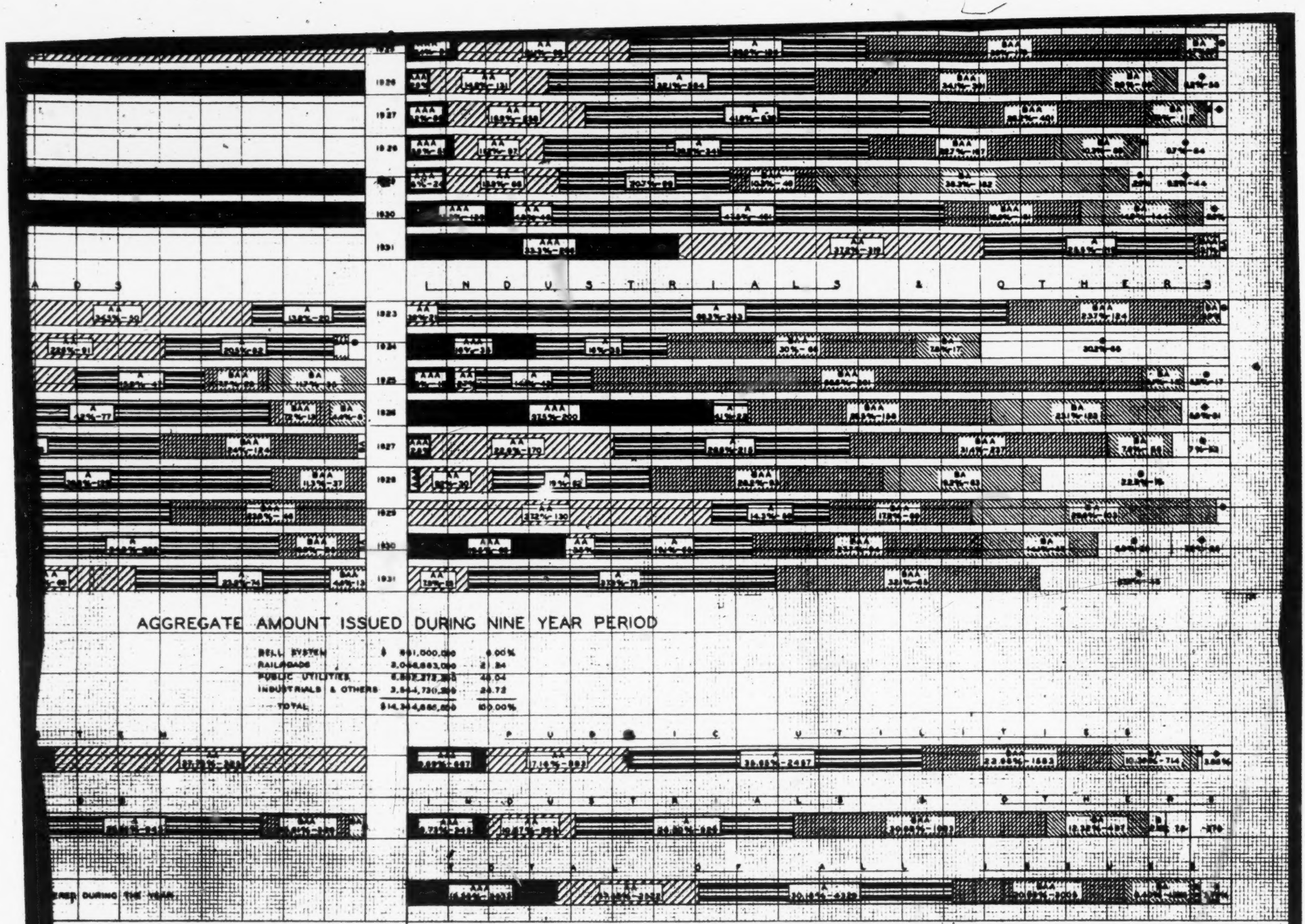
EXHIBIT X-231

BONDS GROUPED BY RATINGS (MOODY'S) SHOWING AMOUNT IN EACH GROUP AND ITS PROPORTION TO TOTAL OFFERING



AGGREGATE AMOUNT ISSUED DURING NINE YEAR PERIOD

BELL SYSTEM	$ 991,000,000	6.90%
RAILROADS	3,046,883,000	21.24
PUBLIC UTILITIES	6,501,272,355	45.04
INDUSTRIALS & OTHERS	3,804,730,800	26.78
TOTAL	$14,344,886,800	100.00%


AGGREGATE AMOUNT ISSUED DURING NINE YEAR PERIOD
BELL SYSTEM
RAILROADS
PUBLIC UTILITIES
INDUSTRIALS & OTHERS
TOTAL

14384

[fols. 14385-14385A]

EXHIBIT X-232

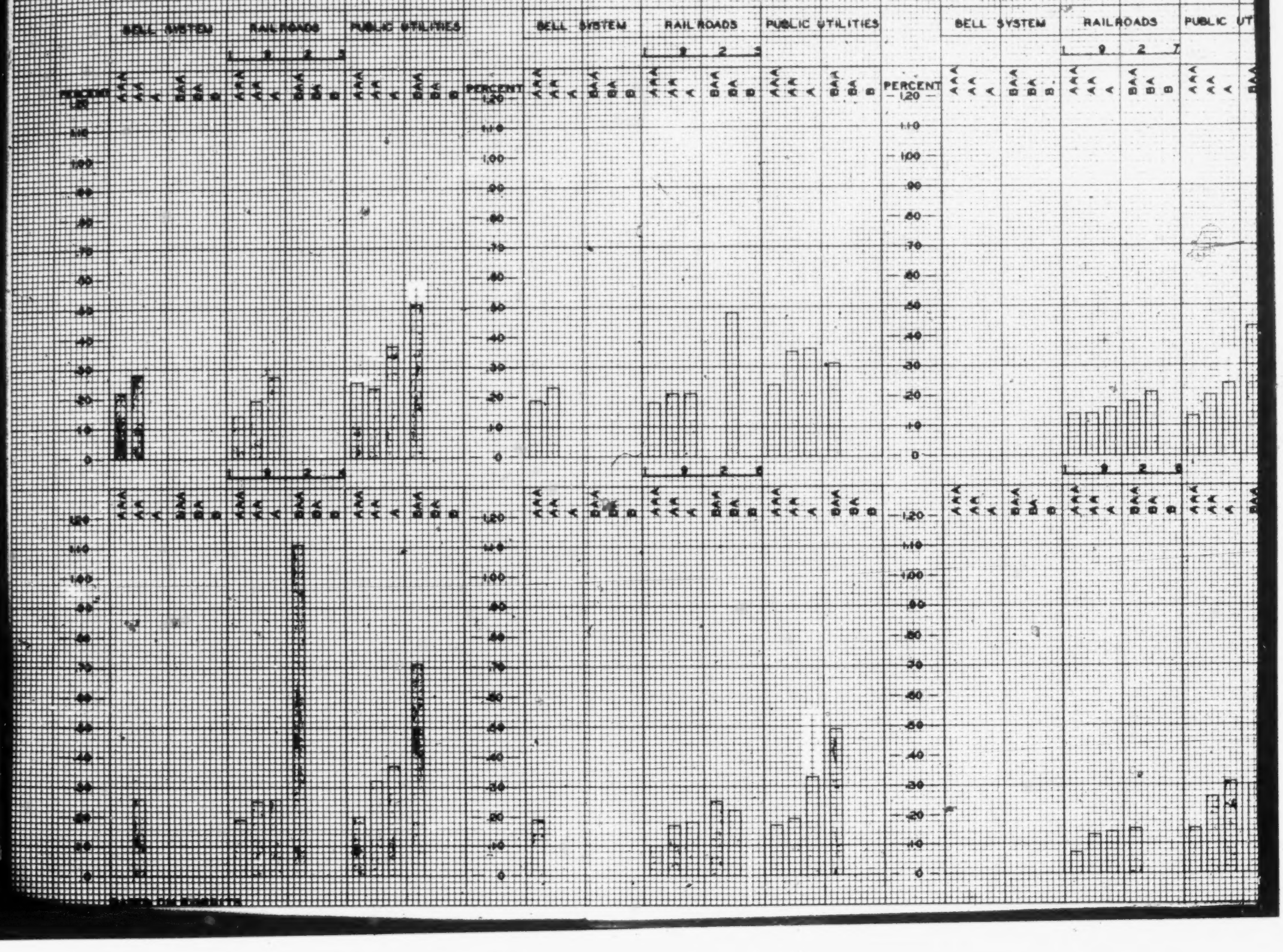
Comparative Summary Showing Amount Offered and Proportion of Total Offerings of Bell System, Railroad, Public Utility (Other Than Bell System) and Industrial and Other Bond Issues of $5,000,000 and Over, Issued During Years 1923 to 1931, Inclusive, Grouped According to Investment Rating at Time of Public Offering

Year	Rating	Bell System		Railroads		Public Utilities (Other Than Bell System)		Industrials and Others	
		Amount Offered (1)	Per Cent of Total Offering (2)	Amount Offered (3)	Per Cent of Total Offering (4)	Amount Offered (5)	Per Cent of Total Offering (6)	Amount Offered (7)	Per Cent of Total Offering (8)
1923	Aaa	$35,000,000	18.92	$74,947,000	51.70	$15,000,000	4.47	.....	.....
	Aa	150,000,000	81.08	50,024,000	34.51	57,500,000	17.13	$20,500,000	3.92
	A	.....	.....	20,000,000	13.79	125,300,000	37.33	362,500,000	69.31
	Baa	.....	.....	.....	.....	120,696,600	35.95	124,000,000	23.71
	Ba	.....	.....	.....	.....	17,192,000	5.12	10,000,000	1.91
	No rating	.....	.....	.....	.....	.....	.....	6,000,000	1.15
	Total	185,000,000	100.00	144,971,000	100.00	335,688,600	100.00	523,000,000	100.00
1924	Aaa	.....	.....	213,000,000	53.09	26,500,000	5.26	35,000,000	16.02
	Aa	50,000,000	100.00	90,604,000	22.58	109,874,000	21.82	.....	.....
	A	.....	.....	82,292,000	20.52	156,000,000	30.98	35,000,000	16.02
	Baa	.....	.....	7,000,000	1.74	147,900,000	29.37	65,500,000	29.98
	Ba	.....	.....	.....	.....	49,300,000	9.79	17,000,000	7.78
	B	.....	.....	.....	.....	9,000,000	1.79	.....	.....
	No Rating	.....	.....	8,300,000	2.07	5,000,000	.99	66,000,000	30.20
	Total	50,000,000	100.00	401,196,000	100.00	503,574,000	100.00	218,500,000	100.00
1925	Aaa	50,000,000	28.57	89,333,500	29.90	30,000,000	6.41	18,000,000	5.98
	Aa	125,000,000	71.43	104,420,000	34.94	98,500,000	21.05	8,000,000	2.66
	A	.....	.....	47,075,000	15.75	133,937,000	28.62	42,500,000	14.12
	Baa	.....	.....	23,000,000	7.70	178,000,000	38.04	200,587,000	66.64
	Ba	.....	.....	35,000,000	11.71	22,000,000	4.70	15,410,000	5.12
	No rating	.....	.....	.....	.....	5,500,000	1.18	16,500,000	5.48
	Total	175,000,000	100.00	298,828,500	100.00	467,937,000	100.00	300,997,000	100.00
1926	Aaa	40,000,000	100.00	34,632,000	19.00	25,000,000	2.83	200,000,000	37.49
	Aa	.....	.....	50,000,000	27.43	130,800,000	14.82	.....	.....
	A	.....	.....	76,500,000	41.96	283,635,000	32.12	22,000,000	4.12
	Baa	.....	.....	13,156,000	7.22	301,000,000	34.09	157,500,000	29.53
	Ba	.....	.....	8,000,000	4.39	87,500,000	9.91	123,000,000	23.05
	No rating	.....	.....	.....	.....	55,000,000	6.23	31,000,000	5.81
	Total	40,000,000	100.00	182,288,000	100.00	882,935,000	100.00	533,500,000	100.00
1927	Aaa	.....	.....	$140,432,000	27.15	$80,000,000	5.23	$21,000,000	2.79
	Aa	.....	.....	71,801,000	13.89	257,800,000	16.85	170,000,000	22.58
	A	.....	.....	176,000,000	34.03	639,448,000	41.80	215,000,000	28.55
	Baa	.....	.....	123,942,000	23.97	401,412,000	26.24	236,500,000	31.41
	Ba	.....	.....	5,000,000	.96	115,000,000	7.52	57,500,000	7.63
	B	.....	.....	.....	.....	6,500,000	.43	.....	.....
	No rating	.....	.....	.....	.....	29,500,000	1.93	53,000,000	7.04
	Total	.....	.....	517,175,000	100.00	1,529,660,000	100.00	753,000,000	100.00
1928	Aaa	.....	.....	91,561,500	28.08	51,415,100	5.92	5,000,000	1.53
	Aa	.....	.....	68,400,000	20.97	97,218,000	11.20	30,000,000	9.16
	A	.....	.....	129,142,000	39.60	340,619,400	39.24	62,150,000	18.97
	Baa	.....	.....	37,000,000	11.35	197,400,000	22.74	90,500,000	28.23
	Ba	.....	.....	.....	.....	89,100,000	10.27	63,000,000	19.23
	B	.....	.....	.....	.....	8,000,000	.92	.....	.....
	No rating	.....	.....	.....	.....	84,300,000	9.11	75,000,000	22.88
	Total	.....	.....	326,103,500	100.00	868,052,500	100.00	325,639,000	100.00

	Total	40,000,000	100.00	182,288,000	100.00	882,935,000	100.00	533,500,000	100.00
1927	Aaa			$140,432,000	27.15	$80,000,000	5.23	$21,000,000	2.79
	Aa			71,801,000	13.89	257,800,000	16.85	170,000,000	22.58
	A			176,000,000	34.03	639,448,000	41.80	215,000,000	28.55
	Baa			123,942,000	23.97	401,412,000	26.24	236,500,000	31.41
	Ba			5,000,000	.96	115,000,000	7.52	57,500,000	7.63
	B					6,500,000	.43		
	No rating					29,500,000	1.93	53,000,000	7.04
	Total			517,175,000	100.00	1,529,660,000	100.00	753,000,000	100.00
1928	Aaa			91,561,500	28.08	51,415,100	5.92	5,000,000	1.53
	Aa			68,400,000	20.97	97,218,000	11.20	30,000,000	9.16
	A			129,142,000	39.60	340,619,400	39.24	62,150,000	18.97
	Baa			37,000,000	11.35	197,400,000	22.74	90,500,000	28.23
	Ba					89,100,000	10.27	63,000,000	19.23
	B					8,000,000	.92		
	No rating					84,300,000	9.11	75,000,000	22.88
	Total			326,103,500	100.00	868,052,500	100.00	325,650,000	100.00
1929	Aaa	$251,000,000	100.00	8,000,000	4.11	24,016,000	5.04		
	Aa			34,784,000	17.85	66,000,000	13.86	130,000,000	37.22
	A			105,695,000	54.24	98,700,000	20.72	50,000,000	14.31
	Baa			46,392,000	23.80	48,800,000	10.25	60,000,000	17.18
	Ba					182,250,000	38.27	103,300,000	29.57
	B					12,500,000	2.62		
	No rating					44,000,000	9.24	6,000,000	1.72
	Total	251,000,000	100.00	194,871,000	100.00	476,266,000	100.00	349,300,000	100.00
1930	Aaa	160,000,000	100.00	274,576,000	41.26	129,500,000	13.36	66,000,000	19.44
	Aa			89,088,000	13.39	46,279,000	4.77	12,000,000	3.53
	A			231,859,000	34.83	460,564,500	47.50	65,000,000	19.15
	Baa			65,000,000	9.77	161,000,000	16.60	94,000,000	27.69
	Ba			5,000,000	.75	144,115,600	14.86	47,931,000	14.12
	B							30,000,000	8.84
	No rating					28,200,000	2.91	24,500,000	7.23
	Total	160,000,000	100.00	665,523,000	100.00	969,659,100	100.00	339,431,000	100.00
1931	Aaa			$158,301,000	50.11	$286,000,000	33.31		
	Aa			69,483,000	21.99	319,000,000	37.16	$15,000,000	7.45
	A			74,200,000	23.49	219,000,000	25.51	75,000,000	37.25
	Baa			13,943,000	4.41	26,500,000	3.09	64,752,300	32.16
	Ba					8,000,000	.93		
	B							46,600,000	23.14
	No rating								
	Total			315,927,000	100.00	858,500,000	100.00	201,352,300	100.00
	Average Years, 1923–1931, Inclusive								
	Aaa	536,000,000	62.25	1,084,783,060	35.60	667,431,100	9.69	345,000,000	9.73
	Aa	325,000,000	37.75	628,604,000	20.63	1,182,971,000	17.16	385,500,000	10.87
	A			942,763,000	30.95	2,457,203,900	35.65	929,150,000	26.20
	Baa			329,435,000	10.81	1,582,708,600	22.96	1,093,339,300	30.88
	Ba			53,000,000	1.74	714,457,600	10.37	437,141,000	12.32
	B					36,000,000	.52	76,600,000	2.16
	No rating			8,300,000	.27	251,500,000	3.65	278,000,000	7.84
	Total	861,000,000	100.00	3,046,883,000	100.00	6,892,372,200	100.00	3,544,730,300	100.00
	Recapitu-ation								
	Bell System	861,000,000	6.00						
	Railroads	3,046,883,000	21.24						
	Public Utilities	6,892,272,200	48.04						
	Industrials and Others	3,544,730,300	24.72						
	Total	14,344,885,500	100.00						

SPREAD BETWEEN ANNUAL COST TO COMPANY AND YIE

271 BOND ISSUES 1923–1931 AGGREGATING $5,184,000,000



...COST TO COMPANY AND YIELD ON PUBLIC OFFERING PRICE

...SUES 1923–193... AGGREGATING $5,184,000,000 GROUPED BY RATINGS (MOODY'S)

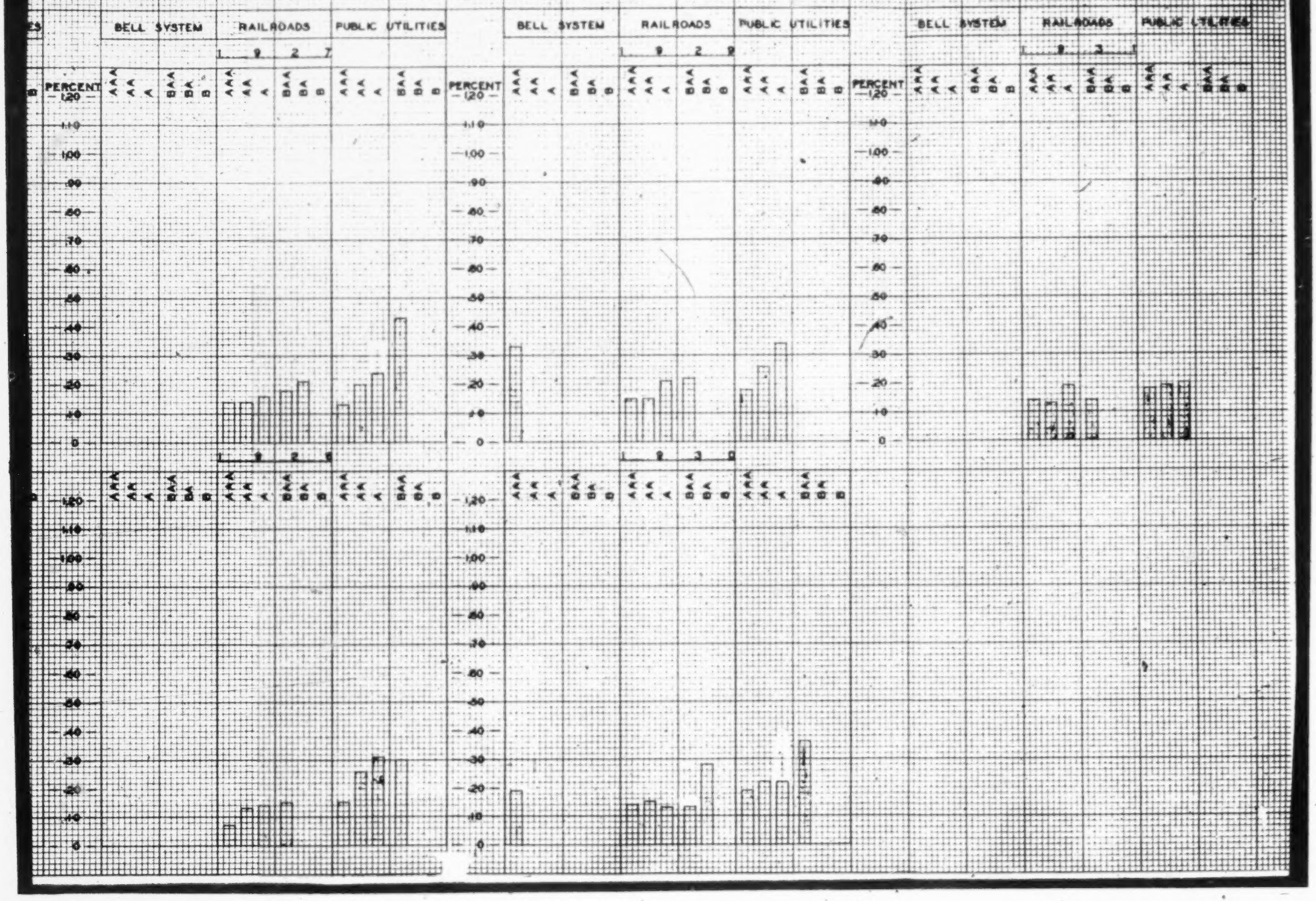


EXHIBIT X-234

TREND OF SPREAD BETWEEN ANNUAL COST TO COMP AND YIELD ON PUBLIC OFFERING PRICE

271 BOND ISSUES 1923-1931 AGGREGATING $5,164,000,000 GROUPED BY RATINGS

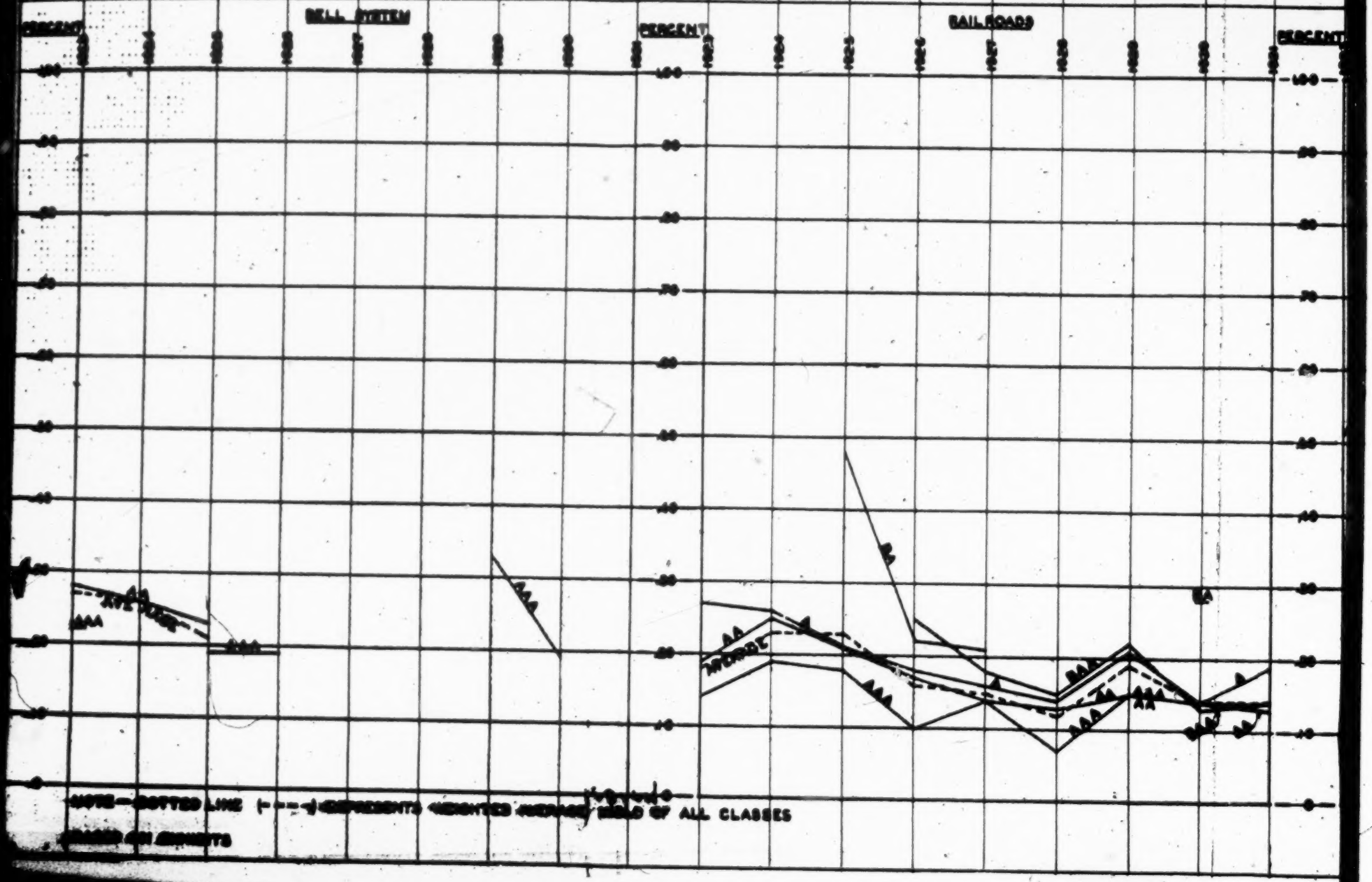


EXHIBIT X-234

TREND OF SPREAD BETWEEN ANNUAL COST TO COMPANY AND YIELD ON PUBLIC OFFERING PRICE

Exhibit No. XX34

ISSUES 1923-1931 AGGREGATING $5,184,000,000 GROUPED BY RATINGS (MOODY'S)

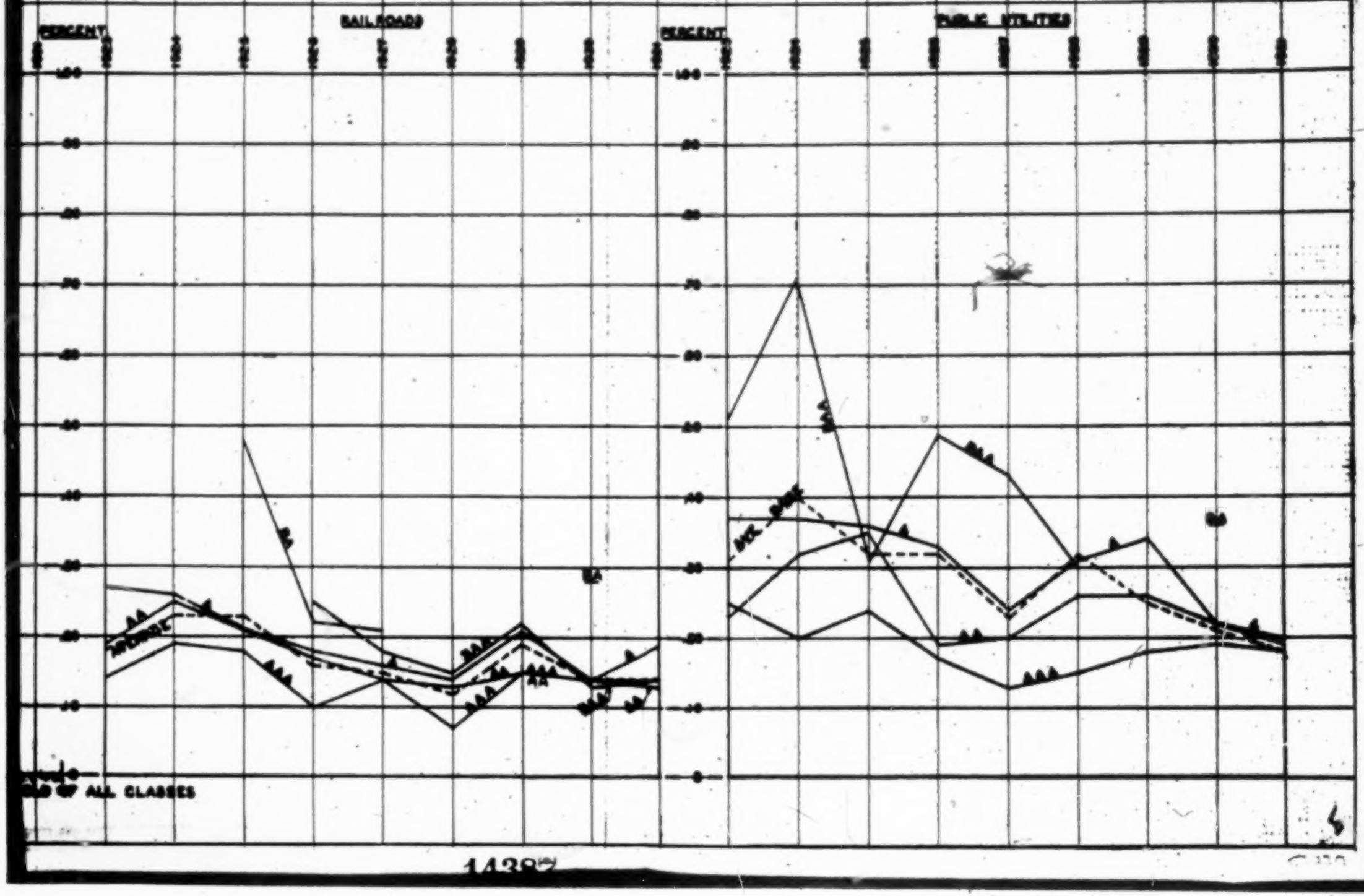


EXHIBIT X-235

Cost of Money to Bell System, Railroad and Public Utility Companies, and Yield to Public on Bonds Issued in Years 1923 to 1931, Inclusive Classified According to Investment Rating when Issued

Year	Ratings	Cost to Companies			Yield to Public (On Offering Price)			Spread Between Average Cost to Companies and Average Yield to Public		
		Bell System	Railroads	Public Utilities	Bell System	Railroads	Public Utilities	Bell System	Railroads	Public Utilities
		%	%	%	%	%	%	%	%	%
1923	Aaa	5.33	5.24	5.77	5.11	5.10	5.52	.22	.14	.25
	Aa	5.81	5.47	5.68	5.53	5.28	5.45	.28	.19	.23
	A	....	6.52	6.42	....	6.25	6.05	....	.27	.37
	Baa	....	....	6.62	....	....	6.11	....	....	.51
	Average	5.72	5.50	6.03	5.45	5.32	5.72	.27	.18	.31
1924	Aaa	....	5.28	5.20	....	5.09	5.00	....	.19	.20
	Aa	5.70	5.77	5.67	5.44	5.52	5.35	.26	.25	.32
	A	....	6.16	6.20	....	5.90	5.83	....	.26	.37
	Baa	....	8.11	7.15	....	7.00	6.44	....	1.11	.71
	Not rated	....	5.03	....	....	4.92	....	....	.11	....
	Average	5.70	5.62	6.18	5.44	5.39	5.78	.26	.23	.40
1925	Aaa	5.19	5.17	5.24	5.00	4.99	5.06	.19	.18	.24
	Aa	5.55	5.43	5.70	5.32	5.22	5.35	.23	.21	.35
	A	....	6.06	5.93	....	5.85	5.57	....	.21	.36
	Baa	....	....	6.86	....	....	5.55	....	....	.31
	Ba	....	6.75	....	....	6.27	....	....	.48	....
	Average	5.44	5.61	5.62	5.23	5.38	5.30	.21	.23	.32

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EXHIBIT X-235—Continued

Cost of Money to Bell System, Railroad and Public Utility Companies, and Yield to Public on Bonds Issued in Years 1923 to 1931, Inclusive Classified According to Investment Rating when Issued

Year	Ratings	Cost to Companies			Yield to Public (On Offering Price)			Spread Between Average Cost to Companies and Average Yield to Public		
		Bell System	Railroads	Public Utilities	Bell System	Railroads	Public Utilities	Bell System	Railroads	Public Utilities
		%	%	%	%	%	%	%	%	%
1926	Aaa	5.02	4.75	5.08	4.83	4.65	4.91	.19	.10	.17
	Aa	....	5.08	5.23	....	4.91	5.04	....	.17	.19
	A	....	5.43	5.42	....	5.25	5.09	....	.18	.33
	Baa	....	5.55	6.07	....	5.30	5.58	....	.25	.49
	Ba	....	6.63	....	....	6.41	....	....	.22	....
	Average	5.02	5.26	5.52	4.83	5.10	5.20	.19	.16	.32
1927	Aaa	....	4.74	4.88	....	4.60	4.75	....	.14	.13
	Aa	....	4.80	4.96	....	4.66	4.76	....	.14	.20
	A	....	5.12	5.15	....	4.96	4.91	....	.16	.24
	Baa	....	5.47	5.96	....	5.29	5.53	....	.18	.43
	Ba	....	6.32	....	....	6.11	....	....	.21	....
	Average	....	5.07	5.12	....	4.92	4.89	....	.15	.23
1928	Aaa	....	4.41	4.58	....	4.34	4.43	....	.07	.15
	Aa	....	4.59	4.91	....	4.46	4.65	....	.13	.26
	A	....	4.81	5.25	....	4.67	4.94	....	.14	.31
	Baa	....	5.25	5.57	....	5.10	5.27	....	.15	.30
	Not rated	....	....	5.07	....	....	4.84	....	....	.23
	Average	....	4.72	4.95	....	4.60	4.71	....	.12	.24

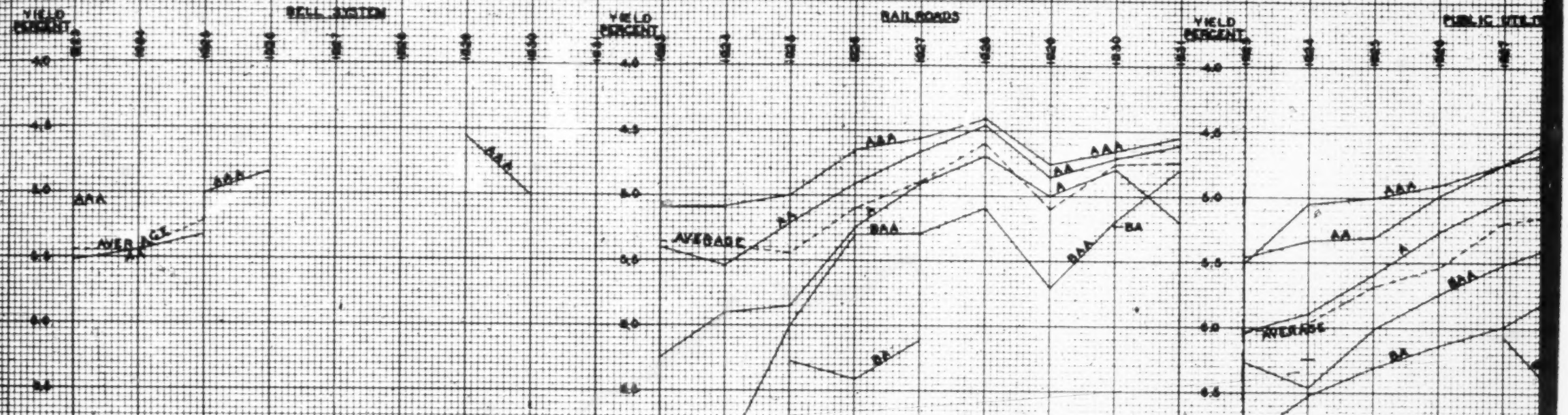
EXHIBIT X-233 (CONTINUED)

1929	Aaa	5 33	4 82	4 93	5 00	4 67	4 75	.33	15	18
	As		5 00	5 40		4 85	5 14		15	26
	A		5 14	5 73		4 93	5 39		21	34
	Baa		5 93			5 71			22	
	Average	5 33	5 27	5 29	5 00	5 08	5 04	33	19	25
1930	Aaa	5 21	4 80	4 88	5 02	4 66	4 69	19	14	19
	As		4 85	4 94		4 72	4 72		13	22
	A		4 93	5 09		4 79	4 87		14	22
	Baa		5 32	6 40		5 19	6 04		13	36
	Ba		5 51			5 23			28	
	Average	5 21	4 91	5 04	5 02	4 77	4 83	19	14	21
1931	Aaa		4 70	4 52		4 56	4 34		14	18
	As		4 75	4 74		4 62	4 55		13	19
	A		5 40	4 93		5 21	4 73		19	20
	Baa		4 94			4 80			14	
	Average		4 88	4 63		4 74	4 45		14	18

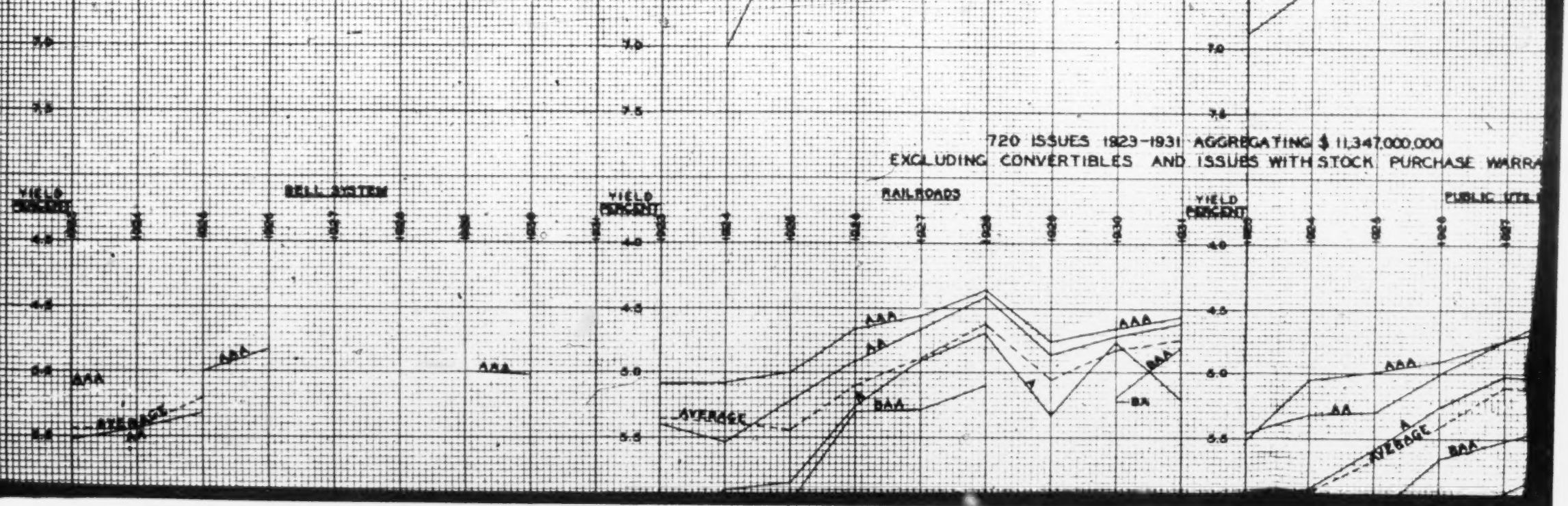
The average shown for each year is the weighted average based on the total issued during the year.

TREND OF WEIGHTED AVERAGES OF BOND YIELDS ON PU
OFFERING PRICE GROUPED BY RATINGS (MOODYS)
(UNADJUSTED SCALE)

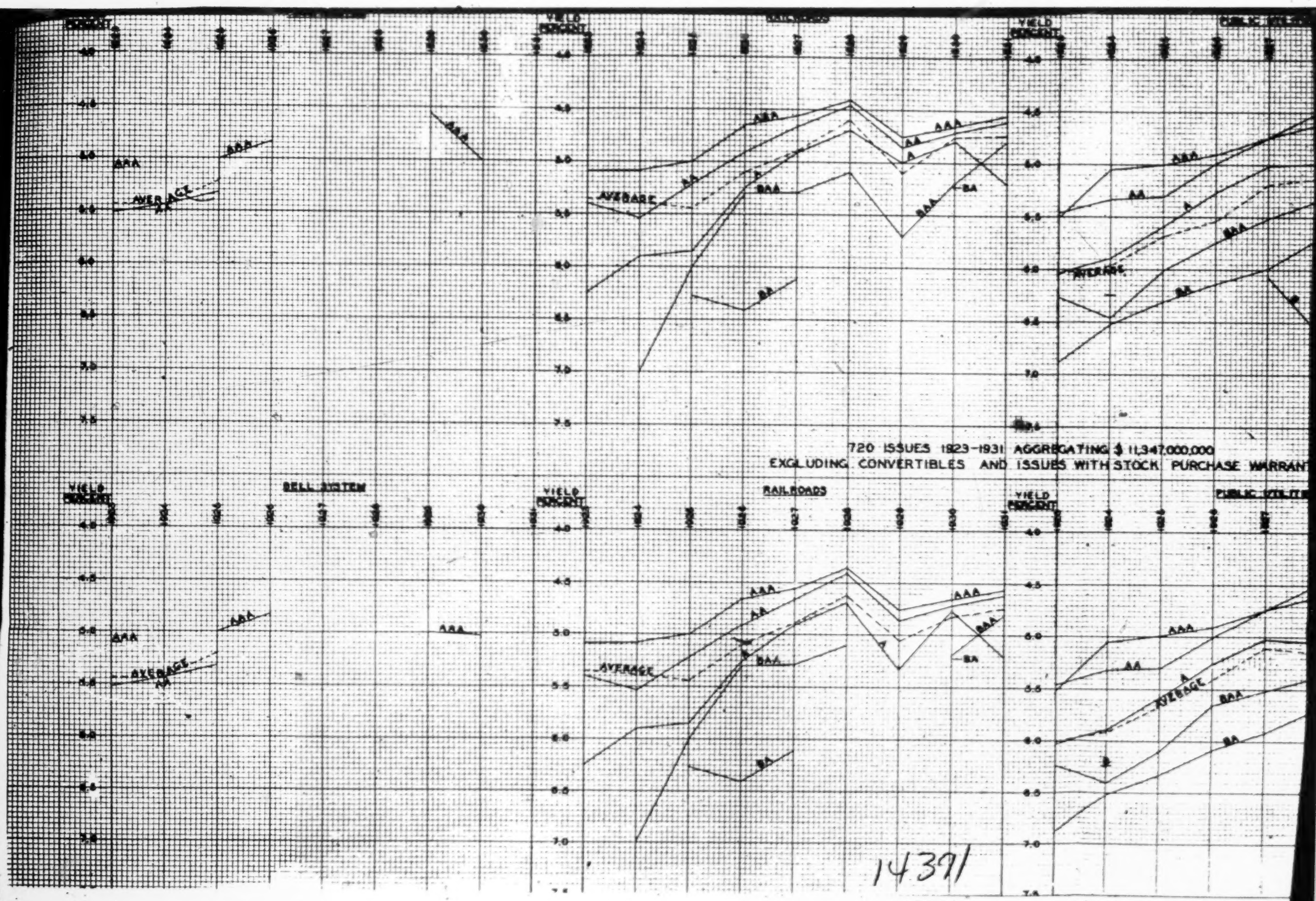
829 ISSUES 1923-1931 AGGREGATING $ 13,809,000,000



720 ISSUES 1923-1931 AGGREGATING $ 11,347,000,000
EXCLUDING CONVERTIBLES AND ISSUES WITH STOCK PURCHASE WARRA



720 ISSUES 1923-1931 AGGREGATING $ 11,347,000,000
EXCLUDING CONVERTIBLES AND ISSUES WITH STOCK PURCHASE WARRANT



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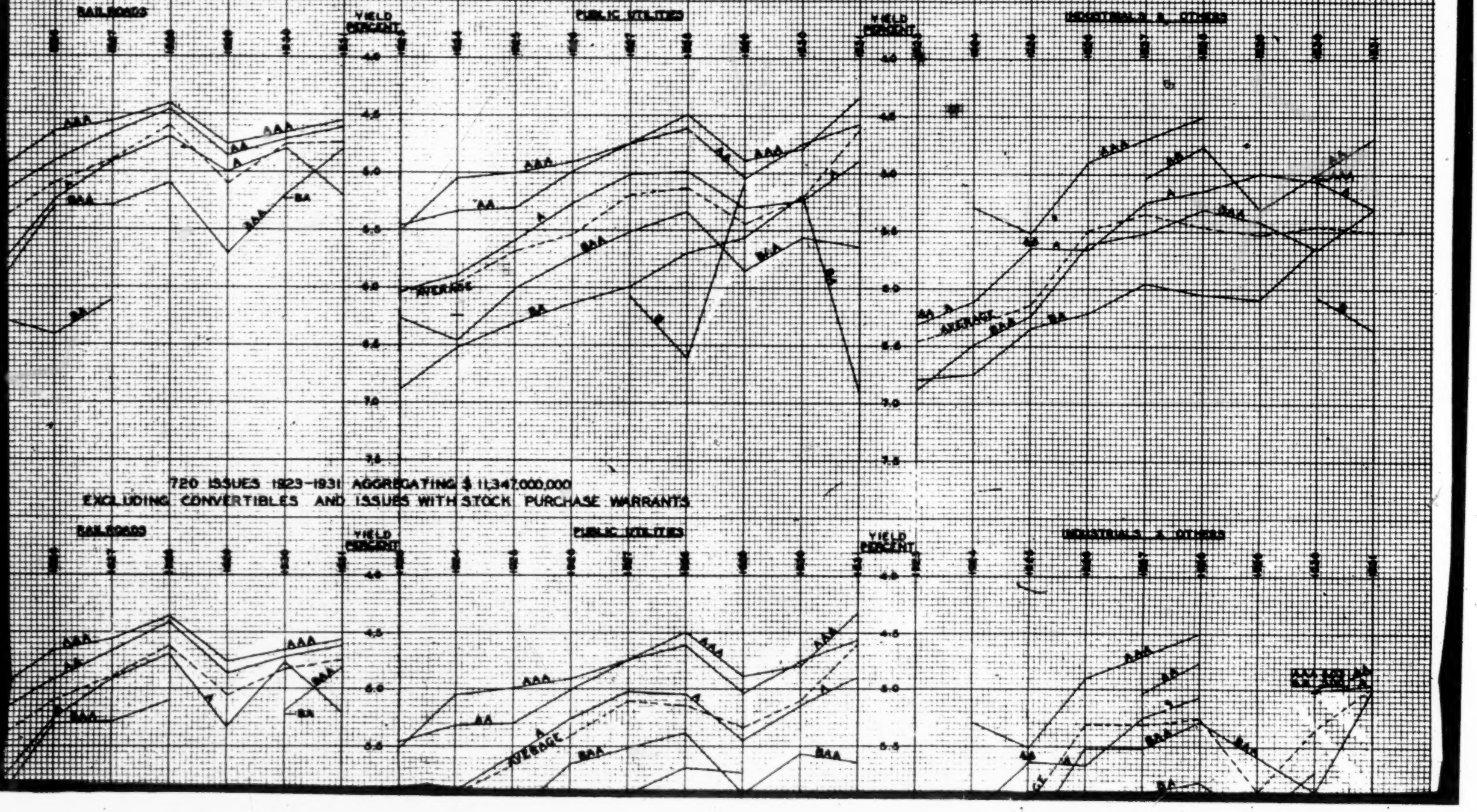
TREND OF WEIGHTED AVERAGES OF BOND YIELDS ON PUBLIC OFFERING PRICE GROUPED BY RATINGS (MOODY'S)

(UNADJUSTED SCALE)

889 ISSUES 1923-1931 AGGREGATING $ 13,808,000,000



720 ISSUES 1923-1931 AGGREGATING $ 11,347,000,000
EXCLUDING CONVERTIBLES AND ISSUES WITH STOCK PURCHASE WARRANTS

720 ISSUES 1923-1931 AGGREGATING $ 11,347,000,000
EXCLUDING CONVERTIBLES AND ISSUES WITH STOCK PURCHASE WARRANTS

RAILROADS

PUBLIC UTILITIES

INDUSTRIAL & OTHERS

YIELD PERCENT

AAA AA A BAA BA AVERAGE

14391

14391

Average Yield on Bonds Sold During Years 1923 to 1931, Inclusive, Classified According to Investment Rating when Issued

Bell System, Railroads, Public Utilities, Industrials and Others

(Includes Issues of $5,000,000 or Over. Yield Based on Offering Price)

Showing Average Yield on Bonds Issued Without Convertible Features or Stock Purchase Warrants Compared with Yield on Bonds Having Such Provisions

Year	Ratings	Bond Issues Other Than Convertibles or Issues with Stock Purchase Warrants (720 Issues Aggregating $11,347,000,000)				Bond Issues Including Convertibles and Issues with Stock Purchase Warrants (829 Issues Aggregating $13,809,000,000)			
		Bell System (a)	Railroads (a)	Public Utilities (a)	Industrials and Others (a)	Bell System (b)	Railroads (b)	Public Utilities (b)	Industrials and Others (b)
		%	%	%	%	%	%	%	%
1923	Aaa	5.11	5.09	5.52	....	5.11	5.09	5.52	....
	Aa	5.52	5.40	5.47	6.26	5.52	5.40	5.47	6.26
	A	....	6.25	6.03	6.18	....	6.25	6.03	6.31
	Baa	....	....	6.24	6.79	....	....	6.26	6.88
	Ba	....	....	6.88	6.78	....	....	6.88	6.78
	Not rated	....	....	....	7.00	....	....	....	7.00
	Average	5.44	5.36	6.01	6.29	5.44	5.36	6.04	6.46
1924	Aaa	....	5.08	5.05	5.29	....	5.08	5.05	5.29
	Aa	5.44	5.33	5.33	....	5.44	5.53	5.35	....
	A	....	5.90	5.88	6.10	....	5.90	5.88	6.12
	Baa	....	7.00	6.40	6.50	....	7.00	6.46	6.48
	Ba	....	....	6.52	6.75	....	....	6.52	6.75
	B	....	....	6.24	....	....	....	6.24	....
	Not rated	....	4.92	6.77	6.15	....	4.92	6.77	6.67
	Average	5.44	5.38	5.92	6.13	5.44	5.39	5.96	6.31

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EXHIBIT X-237—Continued

Average Yield on Bonds Sold During Years 1923 to 1931, Inclusive, Classified According to Investment Rating when Issued

Bell System, Railroads, Public Utilities, Industrials and Others

(Includes Issues of $5,000,000 or Over. Yield Based on Offering Price)

Showing Average Yield on Bonds Issued Without Convertible Features or Stock Purchase Warrants Compared with Yield on Bonds Having Such Provisions

Year	Ratings	Bond Issues Other Than Convertibles or Issues with Stock Purchase Warrants (720 Issues Aggregating $11,347,000,000)				Bond Issues Including Convertibles and Issues with Stock Purchase Warrants (829 Issues Aggregating $13,809,000,000)			
		Bell System (a)	Railroads (a)	Public Utilities (a)	Industrials and Others (a)	Bell System (b)	Railroads (b)	Public Utilities (b)	Industrials and Others (b)
		%	%	%	%	%	%	%	%
1923	Aaa	5.00	5.00	5.00	5.52	5.00	5.00	5.00	5.52
	Aa	5.32	5.22	5.31	5.63	5.32	5.21	5.31	5.63
	A	....	5.85	5.58	5.64	....	5.85	5.58	5.64
	Baa	....	6.00	6.11	6.30	....	6.00	6.00	6.23
	Ba	....	6.27	6.33	6.00	....	6.27	6.32	6.34
	Not rated	....	....	6.00	....	....	....	6.00	6.00
	Average	5.22	5.44	5.67	6.02	5.22	5.44	5.68	6.14
1926	Aaa	4.83	4.65	4.91	4.90	4.83	4.65	4.91	4.90
	Aa	....	4.91	4.99	....	....	4.91	4.99	....
	A	....	5.25	5.26	5.67	....	5.25	5.26	5.66
	Baa	....	5.30	5.66	5.52	....	5.30	5.74	5.60
	Ba	....	6.41	6.09	6.22	....	6.41	6.14	6.21
	Not rated	....	....	6.32	5.78	....	....	6.54	5.76
	Average	4.83	5.10	5.42	5.31	4.83	5.10	5.54	5.49

1927	Aaa		4.56	4.74	4.70		4.56	4.74	4.70
	Aa		4.66	4.74	5.03		4.66	4.74	5.03
	A		4.92	5.01	5.25		4.92	5.01	5.25
	Baa		5.29	5.51	5.52		5.29	5.52	5.52
	Ba		6.11	5.93	5.93		6.11	5.98	5.95
	B							6.07	
	Not rated				5.66			5.70	5.66
	Average			5.12	5.31		4.88	5.18	5.35
1928	Aaa		4.38	4.49	4.50		4.41	4.49	5.50
	Aa		4.42	4.61	4.76		4.46	4.61	5.76
	A		4.68	5.05	5.07		4.68	4.99	5.15
	Baa		5.10	5.38	5.28		5.10	5.34	5.32
	Ba			5.69	5.81			5.69	6.05
	B							6.61	
	Not rated			5.47	5.49			5.44	5.77
	Average		4.62	5.10	5.26		4.60	5.13	5.47
1929	Aaa	5.00	4.77	4.89		4.56	4.77	4.89	
	Aa		4.86	5.04			4.86	5.01	5.32
	A		5.33	5.45			5.00	5.31	5.00
	Baa			5.92	5.58		5.71	5.85	5.42
	Ba			5.73	6.15			5.56	6.09
	B							5.06	
	Not rated			5.75				5.78	6.10
	Average	5.00	5.06	5.34	5.87	4.56	5.10	5.44	5.53
1930	Aaa	5.02	4.65	4.78	5.03	5.02	4.65	4.78	5.03
	Aa		4.72	4.75	5.00		4.72	4.75	5.00
	A		4.77	5.15	5.01		4.79	5.23	5.07
	Baa		5.19	5.56	5.89		5.19	5.56	5.65
	Ba		5.23		5.72		5.23	5.20	5.63
	B								6.07
	Not rated				6.50			6.22	6.14
	Average	5.02	4.82	5.12	5.35	5.02	4.76	5.22	5.46

EXHIBIT X-237—Continued

Average Yield on Bonds Sold During Years 1923 to 1931, Inclusive, Classified According to Investment Rating when Issued

Bell System, Railroads, Public Utilities, Industrials and Others

(Includes Issues of $5,000,000 or Over. Yield Based on Offering Price)

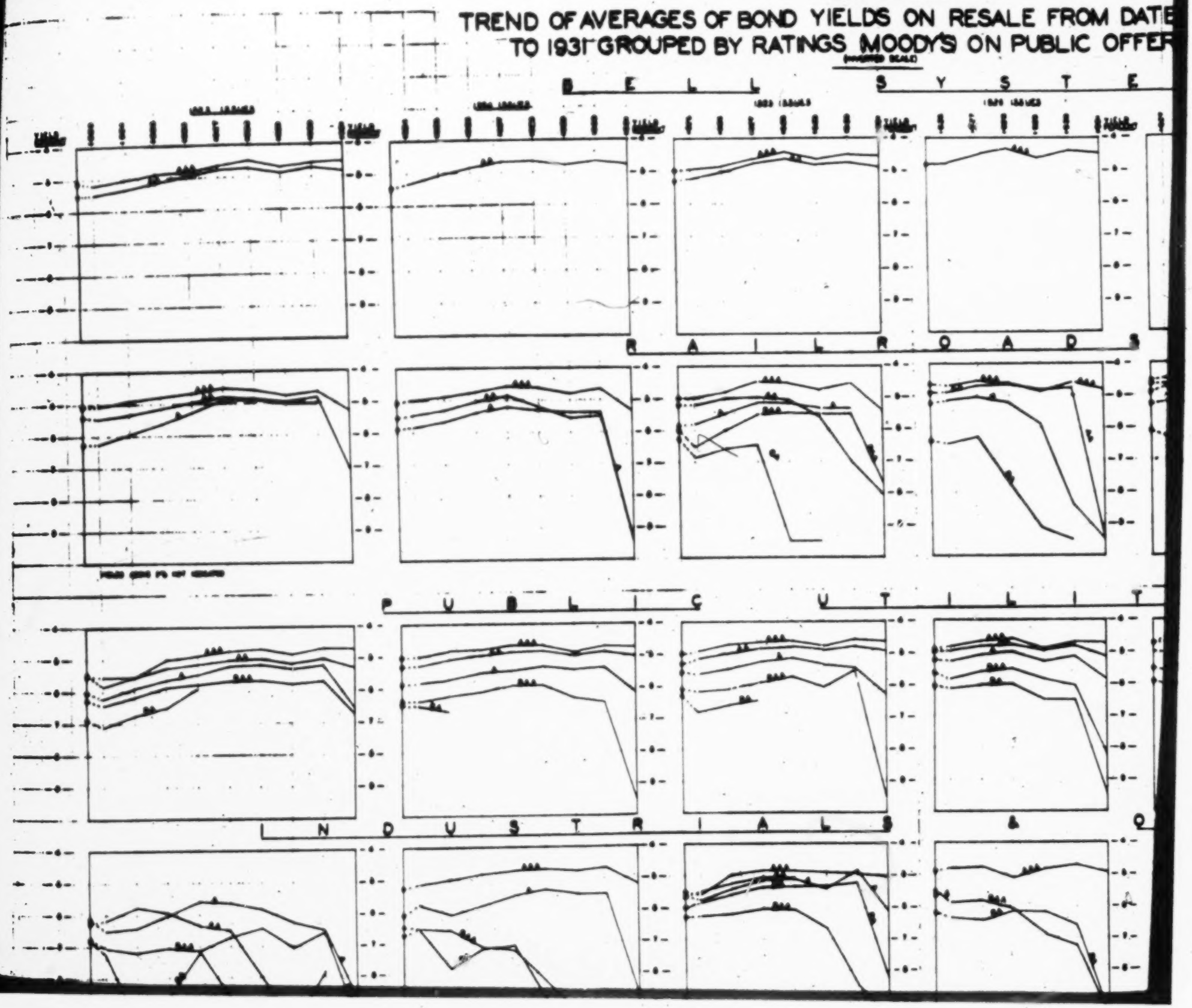
Showing Average Yield on Bonds Issued Without Convertible Features or Stock Purchase Warrants Compared with Yield on Bonds Having Such Provisions

Year	Ratings	Bond Issues Other Than Convertibles or Issues with Stock Purchase Warrants (720 Issues Aggregating $11,347,000,000)				Bond Issues Including Convertibles and Issues with Stock Purchase Warrants (829 Issues Aggregating $13,809,000,000)			
		Bell System (a)	Railroads (a)	Public Utilities (a)	Industrials and Others (a)	Bell System (b)	Railroads (b)	Public Utilities (b)	Industrials and Others (b)
		%	%	%	%	%	%	%	%
1931	Aaa	....	4.56	4.33	....	....	4.56	4.33	....
	Aa	....	4.62	4.57	4.68	....	4.62	4.57	4.68
	A	....	5.21	4.89	4.94	....	5.21	4.89	5.31
	Baa	....	4.80	5.67	5.09	....	4.80	5.67	5.30
	Ba	....	....	....	....	....	....	6.95	....
	B	....	....	....	....	....	....	....	6.36
	Not rated	....	....	....	....	....	....	....	....
	Average	....	4.74	4.59	4.97	....	4.74	4.61	5.50
Average: Years 1923–1931 Inclusive									
	Aaa	5.00	4.76	4.61	4.98	4.80	4.75	4.61	4.98
	Aa	5.43	4.97	4.87	5.10	5.43	4.95	4.87	5.17
	A	....	5.13	5.24	5.64	....	5.07	5.22	5.67
	Baa	....	5.32	5.74	5.79	....	5.38	5.76	5.85
	Ba	....	6.18	6.05	6.12	....	6.18	5.78	6.10
	B	....	....	6.24	....	....	....	5.88	6.25
	Not rated	....	4.92	5.76	5.78	....	4.92	5.89	6.11
	Average	5.22	4.99	5.25	5.58	5.03	4.98	5.31	5.71

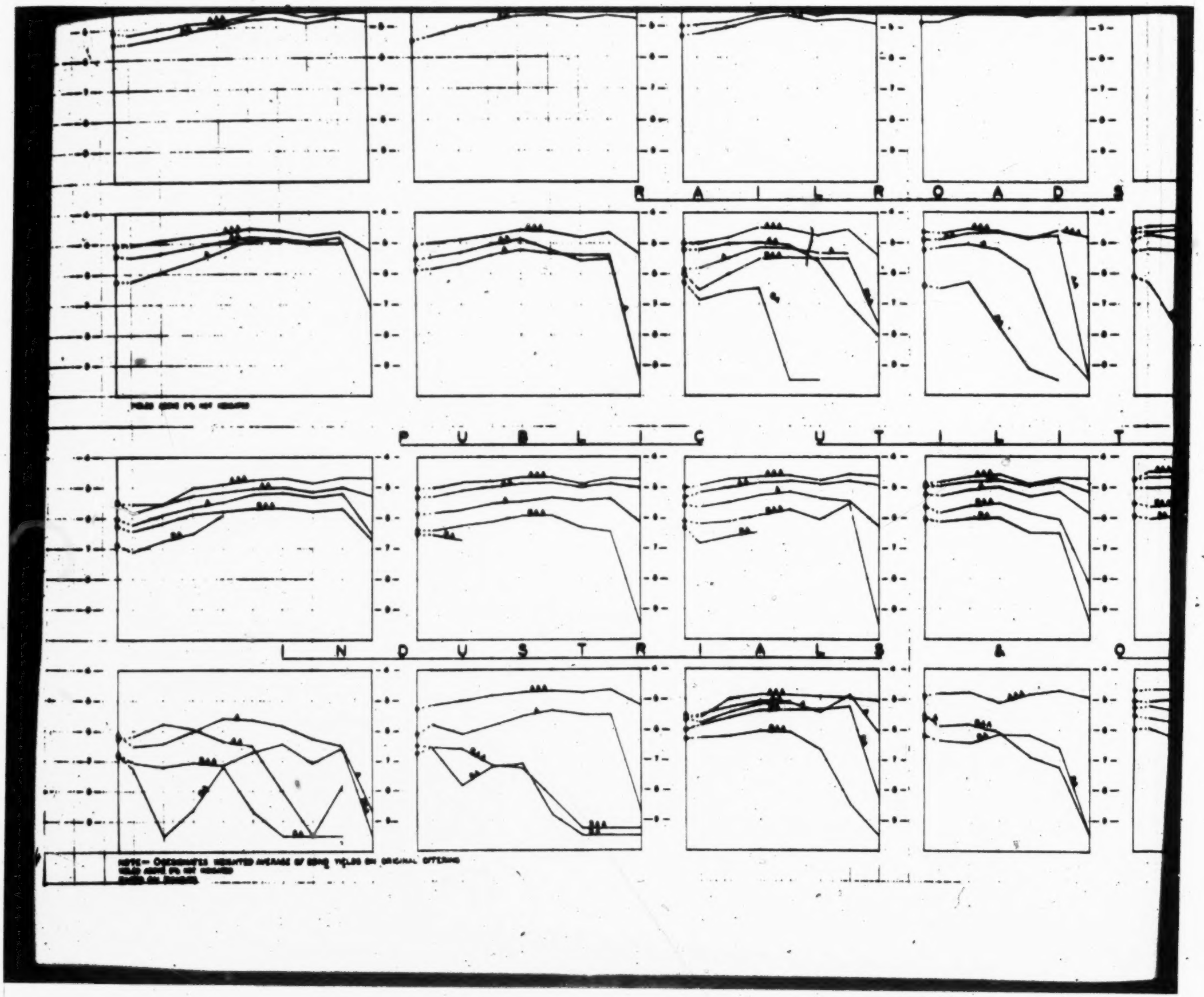
(a) For number of issues and amount, see part one of Exhibits.
(b) For number of issues and amount, see part three of Exhibits.

EXHIBIT X-238

TREND OF AVERAGES OF BOND YIELDS ON RESALE FROM DATE
TO 1931 GROUPED BY RATINGS MOODY'S ON PUBLIC OFFER



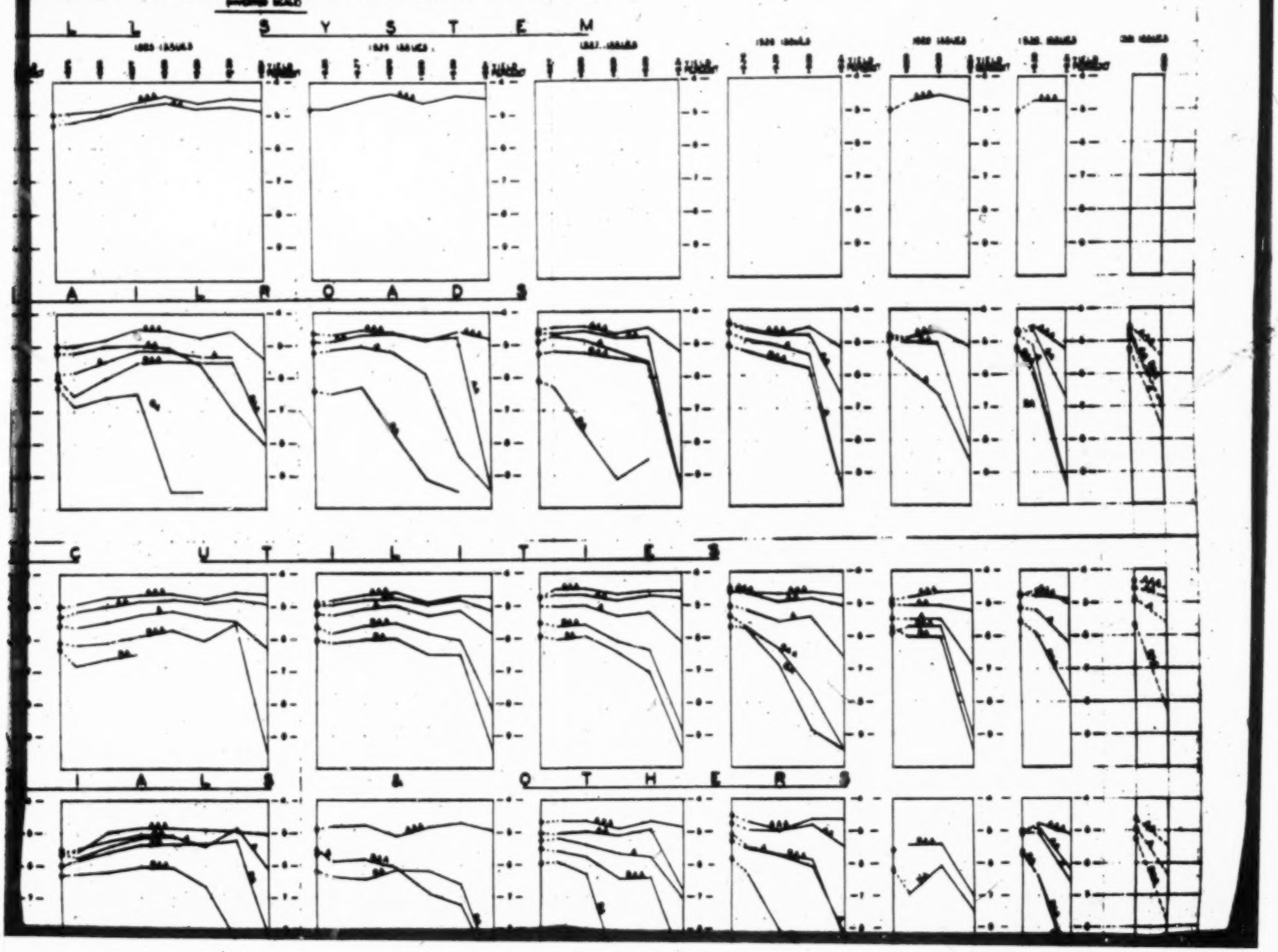
(b) For number of issues and amount, see part three of Exhibits.


R A I L R O A D S
P U B L I C U T I L I T
I N D U S T R I A L S & Q

X738

EXHIBIT X-238

GES OF BOND YIELDS ON RESALE FROM DATE OF ISSUE
UPED BY RATINGS MOODY'S ON PUBLIC OFFERING



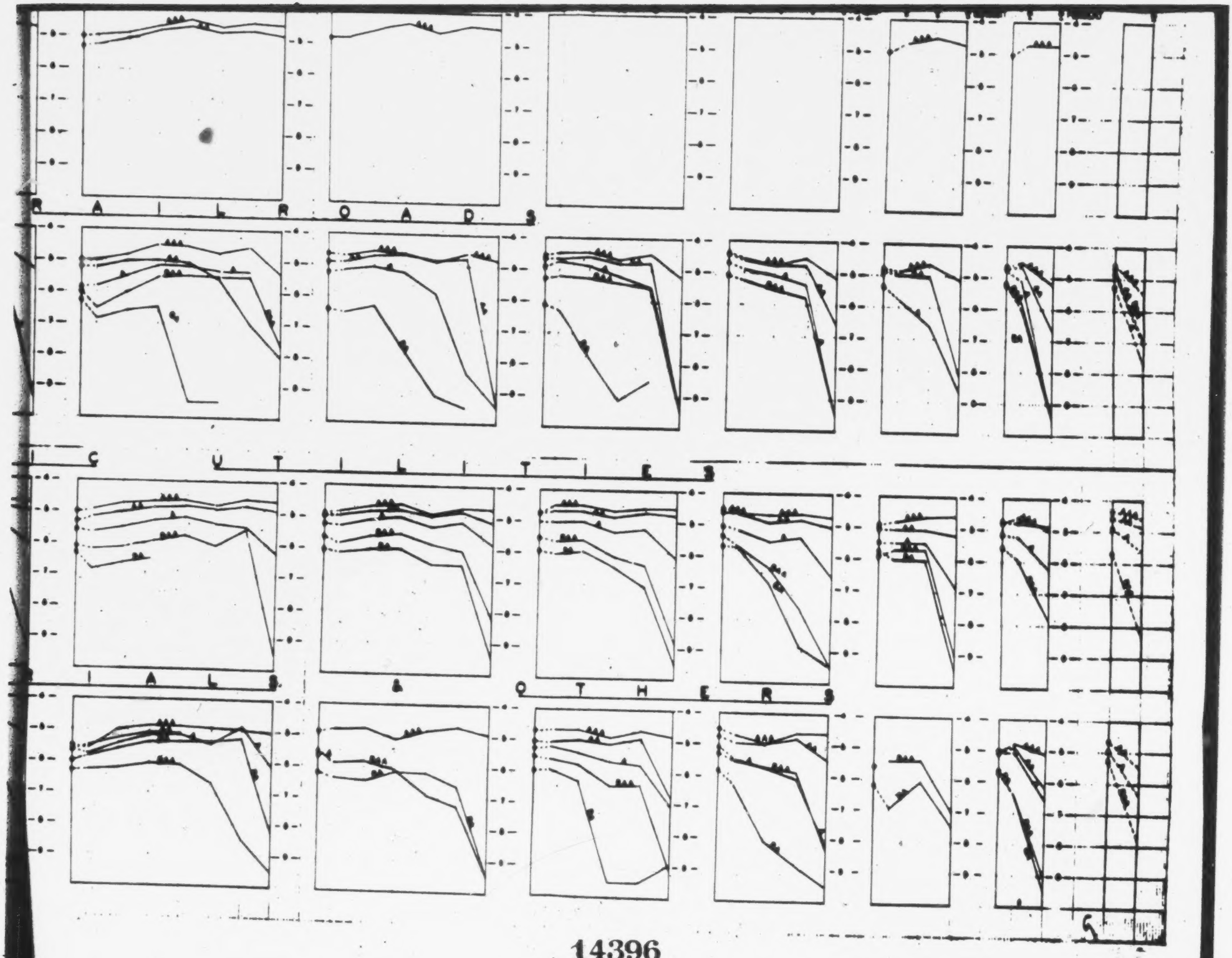


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EXHIBIT X-239

Average Bond Yields Based on Resale Prices During Each Year, 1923 to 1931, Inclusive

Bell System, Railroads, Public Utilities, Industrials

(Based on High and Low Market Prices of Issues of $5,000,000 and Over)

Issues During Each Year Shown Separately and Classified According to Investment Rating at Time of Public Offering

Year of Resale	Rating at Time of Public Offering	Issues Offered in 1923				Issues Offered in 1924				Issues Offered in 1925			
		Bell System	Railroads	Public Utilities	Industrials and Others	Bell System	Railroads	Public Utilities	Industrials and Others	Bell System	Railroads	Public Utilities	Industrials and Others
1923	Aaa	5.20	5.09	5.55	....								
	Aa	5.50	5.44	5.84	6.18								
	A	....	6.25	6.22	6.51								
	Baa	....	....	6.44	7.06								
	Ba	....	....	7.12	7.27								
1924	Aaa	5.05	4.90	5.56	....	....	5.00	5.03	5.16				
	Aa	5.35	5.33	5.55	5.76	5.33	5.46	5.32	....				
	A	....	5.95	5.90	6.41	....	5.84	5.85	5.77				
	Baa	....	....	6.18	7.19	....	....	6.42	6.54				
	Ba	....	....	6.74	9.59	....	....	6.56	6.55				
1925	Aaa	4.88	4.78	5.01	....	....	4.90	4.84	5.01	4.95	4.98	4.93	5.59
	Aa	5.14	5.15	5.28	5.96	5.08	5.32	5.12	....	5.23	5.21	5.15	5.50
	A	....	5.61	5.65	6.02	....	5.67	5.73	6.11	....	5.82	5.65	5.76
	Baa	....	....	5.89	7.05	....	....	6.26	6.61	....	6.53	6.18	6.26
	Ba	....	....	6.51	8.61	....	....	6.73	7.84	....	6.86	6.83	5.85
1926	Aaa	4.83	4.67	4.89	....	....	4.76	4.82	4.85	4.86	4.82	4.72	4.97
	Aa	4.96	4.96	5.15	6.35	4.86	5.06	4.96	....	5.03	5.02	4.99	5.25
	A	....	5.29	5.49	5.66	....	5.40	5.53	5.83	....	5.49	5.47	5.42
	Baa	....	....	5.79	7.13	....	....	6.13	7.18	....	6.00	6.12	6.20
	Ba	....	....	5.91	7.14	....	....	....	7.20	....	6.59	6.61	5.58

X-239

X-239 contains the data on which X-238 is based

14397

9114

EXHIBIT X-239—Continued

Year of Resale	Rating at Time of Public Offering	Issues Offered in 1923				Issues Offered in 1924				Issues Offered in 1925			
		Bell System	Railroads	Public Utilities	Industrials and Others	Bell System	Railroads	Public Utilities	Industrials and Others	Bell System	Railroads	Public Utilities	Industrials and Others
1927	Aaa	4.64	4.51	4.75	....	....	4.58	4.67	4.74	4.62	4.50	4.64	4.84
	Aa	4.76	4.80	5.05	6.49	4.69	4.87	4.87	....	4.76	4.98	4.85	5.06
	A	....	4.90	5.23	5.62	....	5.22	5.46	5.54	....	5.18	5.26	5.15
	Baa	....	....	5.69	6.67	....	....	5.93	7.27	....	5.52	5.91	6.00
	Ba	....	....	....	8.70	....	....	....	11.14	....	6.49	6.44	5.34
1928	Aaa	4.48	4.58	4.68	....	....	4.62	4.66	4.71	4.41	4.55	4.60	4.86
	Aa	4.72	4.84	5.00	8.05	4.68	5.05	4.85	....	4.63	5.07	4.80	5.07
	A	....	4.87	5.19	5.82	....	5.32	5.33	5.34	....	5.19	5.15	5.13
	Baa	....	....	5.67	6.40	....	....	5.93	8.25	....	5.49	5.73	6.06
	Ba	....	....	....	9.57	....	....	....	8.82	....	9.22	....	5.34
1929	Aaa	4.69	4.76	4.87	....	....	4.80	4.88	4.77	4.67	4.77	4.77	4.91
	Aa	4.88	4.95	5.15	9.39	4.78	5.53	4.98	....	4.83	5.60	4.91	....
	A	....	5.01	5.32	6.26	....	5.38	5.44	5.50	....	5.34	5.35	5.42
	Baa	....	....	5.79	7.07	....	....	6.33	15.19	....	5.52	6.06	6.62
	Ba	....	....	....	10.66	....	....	....	10.28	....	11.68	....	5.35
1930	Aaa	4.58	4.65	4.71	....	....	4.65	4.71	4.68	4.51	4.56	4.57	4.93
	Aa	4.71	4.81	5.02	7.81	4.67	5.51	4.88	....	4.76	7.05	4.79	....
	A	....	5.03	5.23	6.50	....	5.38	5.37	5.50	....	5.35	5.44	4.84
	Baa	....	....	5.73	6.56	....	....	6.45	23.69	....	5.53	5.52	8.45
	Ba	....	....	....	17.45	....	....	....	16.28	....	....	....	5.22
1931	Aaa	4.54	5.26	4.70	....	....	5.32	4.72	5.18	4.56	5.42	4.64	5.04
	Aa	4.86	7.10	5.28	....	4.78	9.23	5.02	....	4.90	8.03	4.94	....
	A	....	....	6.56	8.71	....	13.22	6.14	8.76	....	....	6.33	6.11
	Baa	....	....	6.75	13.25	....	....	9.31	30.45	....	7.71	9.85	12.48
	Ba	....	....	....	....	....	....	....	26.75	....	....	....	8.27

		Issues Offered in 1926				Issues Offered in 1927				Issues Offered in 1928		
1926	Aaa	4.83	4.70	4.84	4.81							
	Aa	....	4.92	4.96	....							
	A	....	5.18	5.30	5.69							
	Baa	....	....	5.84	5.88							
	Ba	....	6.51	6.14	6.36							
1927	Aaa	4.56	4.55	4.66	4.77	4.47	4.49	4.66				
	Aa	....	4.70	4.82	....	4.67	4.69	5.06				
	A	....	5.05	5.08	....	4.76	5.02	5.21				
	Baa	....	....	5.61	5.84	5.22	5.61	5.57				
	Ba	....	6.30	6.03	6.42	6.30	6.01	5.92				
1928	Aaa	4.34	4.61	4.59	5.10	4.45	4.47	4.65		4.56	4.64	4.68
	Aa	....	4.66	4.78	....	4.60	4.67	4.99		4.60	4.64	4.94
	A	....	5.23	5.01	....	4.89	5.00	5.38		4.90	5.19	5.44
	Baa	....	....	5.53	6.08	5.26	5.58	5.91		5.24	5.69	5.50
	Ba	....	7.75	6.01	6.13	7.75	5.93	6.28		....	5.72	6.28
1929	Aaa	4.60	4.88	4.88	4.83	4.68	4.65	4.88		4.73	4.68	4.96
	Aa	....	4.84	4.96	....	4.81	4.83	5.10		4.73	4.91	4.95
	A	....	5.89	5.29	....	5.20	5.31	5.63		5.08	5.51	5.71
	Baa	....	....	5.85	6.82	5.42	6.10	6.51		5.51	6.35	5.72
	Ba	....	9.13	6.49	6.17	9.13	6.41	9.16		....	6.84	8.05
1930	Aaa	4.40	4.60	4.70	4.71	4.50	4.55	4.65		4.51	4.64	4.62
	Aa	....	4.76	4.81	....	4.78	4.70	4.91		4.74	4.82	4.77
	A	....	8.31	5.13	....	5.54	5.22	5.74		5.36	5.39	6.07
	Baa	....	....	6.07	7.26	5.57	6.38	6.62		5.79	7.65	5.84
	Ba	....	....	6.49	6.59	8.50	7.03	10.84		....	8.83	8.83

14399

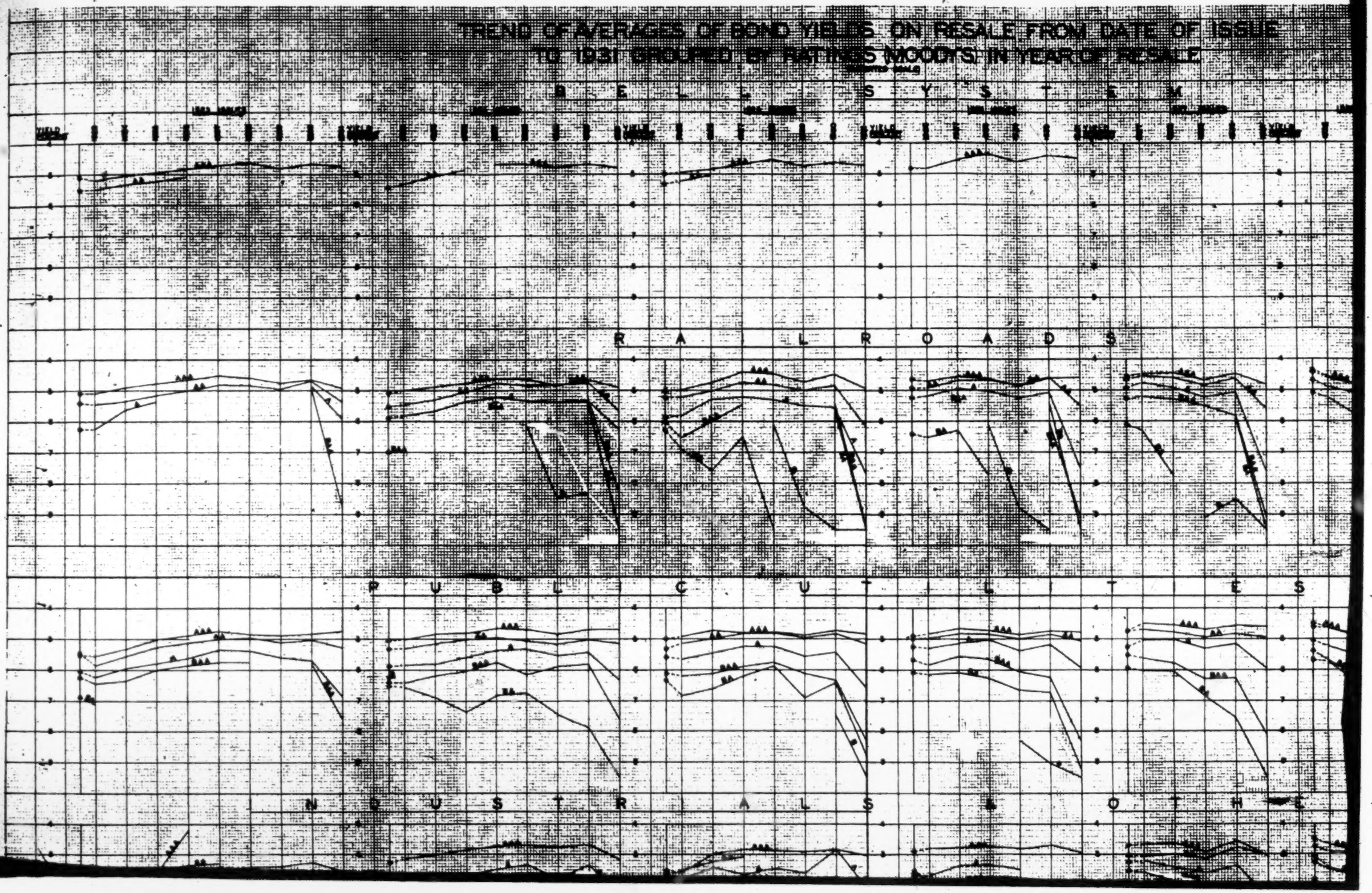
9116

EXHIBIT X-239—Continued

Year of Resale	Rating at Time of Public Offering	Issues Offered in 1926				Issues Offered in 1927				Issues Offered in 1928			
		Bell System	Railroads	Public Utilities	Industrials and Others	Bell System	Railroads	Public Utilities	Industrials and Others	Bell System	Railroads	Public Utilities	Industrials and Others
1931	Aaa	4.49	4.83	4.73	4.94	....	5.27	4.56	4.85	....	5.16	4.72	4.61
	Aa	....	9.29	5.15	....	....	9.08	4.78	6.81	....	6.62	5.07	5.46
	A	....	9.40	5.86	....	....	9.30	6.16	7.19	....	16.92	6.63	8.17
	Baa	....	....	8.18	11.83	....	9.06	8.84	9.9	....	15.45	11.19	8.39
	Ba	....	....	11.01	12.20	....	....	11.47	8.90	....	....	13.67	12.97
		Issues Offered in 1929				Issues Offered in 1930				Issues Offered in 1931			
1929	Aaa	4.76	4.87	4.82	....								
	Aa	....	4.98	5.06	....								
	A	....	5.78	5.47	....								
	Baa	....	....	5.70	....								
	Ba	....	....	6.03	6.93								
1930	Aaa	4.58	4.64	4.65	....	4.73	4.53	4.67	4.79				
	Aa	....	5.06	5.06	....	....	4.65	4.74	4.88				
	A	....	6.60	5.47	....	....	5.12	5.22	5.05				
	Baa	....	....	5.70	5.37	....	5.81	5.94	6.42				
	Ba	....	....	6.03	14.04	....	6.02	....	6.42				
1931	Aaa	4.74	5.14	4.61	....	4.75	5.20	4.98	5.10	....	5.42	4.59	....
	Aa	....	10.81	5.22	....	....	6.69	4.87	6.20	....	6.88	4.85	5.47
	A	....	8.67	6.90	....	....	13.66	6.25	6.57	....	7.66	5.61	7.38
	Baa	....	....	9.07	7.05	....	10.23	7.89	9.11	....	7.09	8.30	7.81
	Ba	....	....	10.36	7.49	....	....	....	11.00	....	....	....	....

NOTE.—This statement includes all issues on which ratings are given (except convertibles and issues with stock purchase warrants). See Exhibits.

EXHIBIT X-240

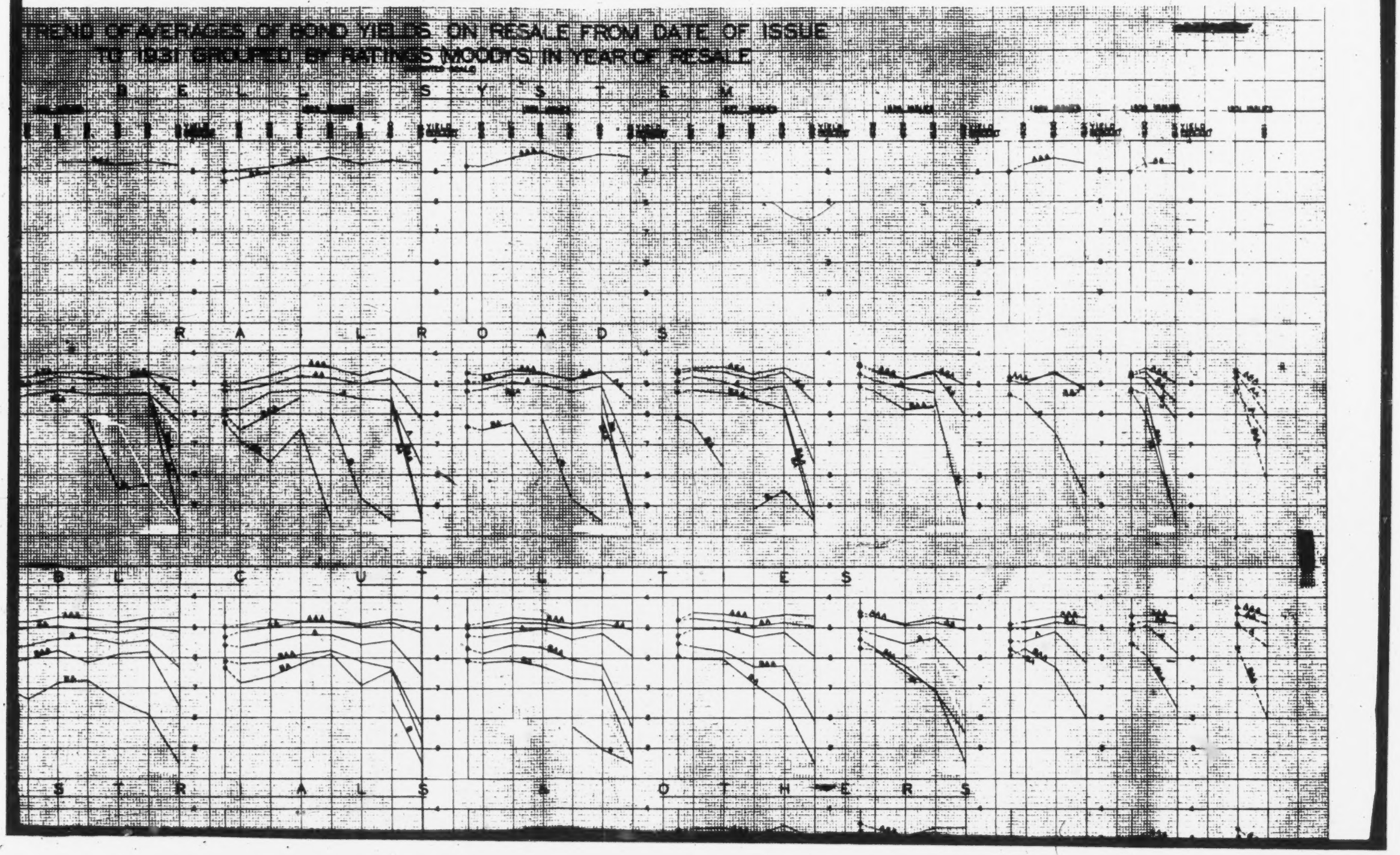


R A I L R O A D S

P U B L I C U T I L I T I E S

I N D U S T R I A L S & O T H E R

EXHIBIT X-240



RAILROADS

BLUE CHIPS

STEELS & OTHERS

EXHIBIT X-241

Average Bond Yields Based on Resale Prices During Each Year, 1923 to 1931, Inclusive

Bell System, Railroads, Public Utilities, Industrials

(Based on High and Low Market Prices of Issues of $5,000,000 and Over)

Page 1

Issues During Each Year are Shown Separately and are Classified According to Current Investment Rating in Years of Resale Irrespective of Rating at Time of Original Offering

Year of Resale	Rating in Year of Resale	Issues Offered in 1923				Issues Offered in 1924				Issues Offered in 1925			
		Bell System	Railroads	Public Utilities	Industrials and Others	Bell System	Railroads	Public Utilities	Industrials and Others	Bell System	Railroads	Public Utilities	Industrials and Others
1923	Aaa	5.20	5.09	5.55	....								
	Aa	5.50	5.44	5.84	6.18								
	A	....	6.25	6.23	6.51								
	Baa	....	....	6.44	7.06								
	Ba	....	....	7.12	7.27								
	B	....	....	....	....								
1924	Aaa	5.05	4.90	5.31	....	....	5.00	5.03	5.16				
	Aa	5.35	5.35	5.55	5.67	5.33	5.46	5.32	5.77				
	A	....	5.61	5.95	6.31	....	5.84	5.85	....				
	Baa	....	....	6.35	6.82	....	....	6.42	6.54				
	Ba	....	....	....	....	....	....	6.56	6.55				
	B	....	....	....	9.59	....	....	....	....				
1925	Aaa	4.96	4.78	5.01	5.54	....	4.89	4.84	5.01	4.95	4.98	4.93	5.59
	Aa	5.24	5.16	5.27	5.52	5.08	5.32	5.14	....	5.23	5.21	5.15	5.50
	A	....	5.37	5.78	5.99	....	5.67	5.81	5.92	....	5.82	5.66	5.79
	Baa	....	....	5.99	6.50	....	....	6.18	6.25	....	6.53	6.18	6.20
	Ba	....	....	6.88	....	....	....	6.89	7.51	....	6.86	6.83	5.85
	B	....	....	....	8.61	....	....	....	....	....	....	....	....

EXHIBIT X-241—Continued

Year of Resale	Rating in Year of Resale	Issues Offered in 1923				Issues Offered in 1924				Issues Offered in 1925			
		Bell System	Railroads	Public Utilities	Industrials and Others	Bell System	Railroads	Public Utilities	Industrials and Others	Bell System	Railroads	Public Utilities	Industrials and Others
1926	Aaa	4.84	4.67	4.89	4.17	4.86	4.76	4.82	4.85	4.86	4.75	4.72	4.97
	Aa	5.08	5.02	5.12	5.36	....	5.06	5.00	....	5.03	5.01	4.99	5.25
	A	....	....	5.61	5.72	....	5.35	5.58	5.69	....	5.28	5.46	5.42
	Baa	....	....	5.86	6.18	....	....	6.03	6.00	....	6.00	6.12	6.16
	Ba	....	....	....	9.42	....	....	7.35	7.53	....	7.59	6.61	....
	B	....	....	....	7.14	....	....	....	8.66	....	....	....	....
1927	Aaa	4.72	4.51	4.75	....	4.69	4.61	4.67	4.74	4.69	4.40	4.80	4.84
	Aa	....	4.82	5.02	5.30	....	4.77	4.95	....	....	4.74	4.82	5.06
	A	....	....	5.36	5.54	....	5.22	5.35	5.48	....	5.21	5.26	5.63
	Baa	....	....	5.76	5.91	....	5.39	5.73	5.70	....	5.46	5.88	5.84
	Ba	....	....	....	7.68	....	....	6.81	7.74	....	6.49	6.20	6.55
	B	....	....	....	8.70	....	....	....	11.14	....	....	....	....
1928	Aaa	4.64	4.58	4.85	....	4.68	4.62	4.69	4.71	4.52	4.45	4.78	4.86
	Aa	....	4.84	4.96	....	....	4.84	5.06	....	....	4.81	4.81	....
	A	....	....	5.38	5.41	....	5.32	5.33	5.35	....	5.30	5.26	5.44
	A	....	....	5.38	5.41	....	5.32	5.33	5.35	....	5.30	5.26	5.44
	Baa	....	....	5.76	6.10	....	....	6.14	5.66	....	....	5.75	5.82
	Ba	....	....	....	6.99	....	....	6.73	6.81	....	9.22	5.87	7.27
	B	....	....	....	9.57	....	6.10	....	10.98	....	6.09	....	....
1929	Aaa	4.82	4.76	4.87	....	4.78	4.84	4.84	4.77	4.73	4.75	4.89	4.91
	Aa	....	4.96	5.11	....	....	4.83	5.16	....	....	4.99	4.95	....
	A	....	....	5.60	5.39	....	5.37	5.53	5.79	....	5.49	5.55	5.60
	Baa	....	....	....	6.47	....	....	5.88	....	....	....	6.10	5.83
	Ba	....	....	....	9.39	....	....	7.41	10.28	....	....	6.91	6.94
	B	....	....	....	10.66	....	8.43	....	10.88	....	8.80	....	....

1930	Aaa	4.67	4.64	4.84	....	4.67	4.66	4.68	4.68	4.63	4.47	4.73	4.84
	Aa	....	4.69	5.03	....	....	4.73	5.02	....	....	4.85	4.84	....
	A	....	4.85	5.70	5.28	....	5.33	5.42	5.34	....	5.53	5.43	4.84
	Baa	....	4.89	5.80	6.44	....	5.21	5.81	20.63	....	5.42	6.33	5.73
	Ba	....	....	....	8.33	....	5.37	7.89	....	....	5.59	6.41	8.12
	B	....	....	....	17.45	....	8.33	....	16.89	....	19.07	7.46	....
1931	Aaa	4.75	4.93	4.74	....	4.78	4.90	4.70	5.18	4.73	4.95	4.84	5.04
	Aa	....	5.39	5.28	....	....	5.67	5.15	....	....	6.18	5.18	....
	A	....	5.93	6.89	5.56	....	6.27	6.33	6.39	....	7.71	6.58	6.11
	Baa	....	8.79	7.61	9.18	....	8.31	7.61	....	....	12.27	8.32	8.36
	Ba	....	....	....	10.78	....	16.48	13.01	8.04	....	10.61	8.87	14.50
	B	....	....	....	28.10	....	....	....	38.31	....	....	31.10	....

		Issues Offered in 1926				Issues Offered in 1927				Issues Offered in 1928			
1926	Aaa	4.83	4.70	4.84	4.81								
	Aa	....	4.92	4.96	....								
	A	....	5.18	5.30	5.69								
	Baa	....	....	5.84	5.88								
	Ba	....	6.51	6.14	6.36								
	B	....	....	....	....								
1927	Aaa	4.56	4.55	4.66	4.77	....	4.47	4.49	4.66				
	Aa	....	4.69	4.82	....	....	4.54	4.69	5.06				
	A	....	4.96	5.13	5.36	....	4.76	5.02	5.21				
	Baa	....	5.39	5.54	5.99	....	5.23	5.61	5.56				
	Ba	....	6.30	6.08	6.40	....	6.30	6.01	5.92				
	B	....	....	....	....	....	....	....	....				
1928	Aaa	4.34	4.61	4.72	4.75	....	4.45	4.54	4.64	....	4.56	4.64	4.68
	Aa	....	4.66	4.84	....	....	4.60	4.78	4.99	....	4.60	4.64	4.94
	A	....	5.02	5.02	5.37	....	4.91	5.01	5.41	....	4.90	5.24	5.44
	Baa	....	....	5.65	5.76	....	5.29	5.77	5.88	....	5.24	5.69	5.50
	Ba	....	7.75	6.27	6.77	....	7.75	6.02	6.14	....	....	5.72	6.28
	B	....	6.10	....	....	....	....	....	7.31	....	....	....	....

14404

9121

EXHIBIT X-241—Continued

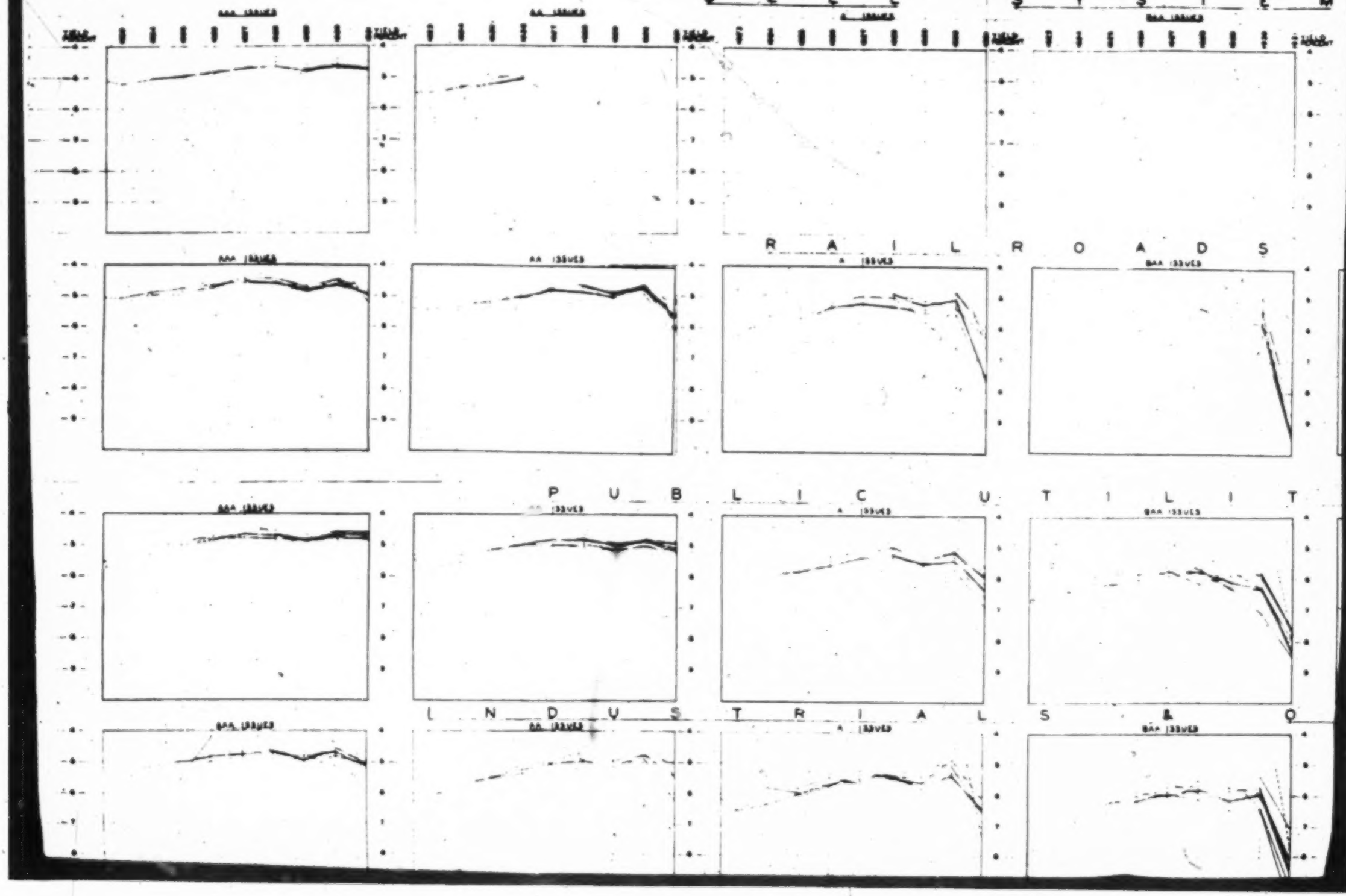
Year of Resale	Rating in Year of Resale	Issues Offered in 1926				Issues Offered in 1927				Issues Offered in 1928			
		Bell System	Railroads	Public Utilities	Industrials and Others	Bell System	Railroads	Public Utilities	Industrials and Others	Bell System	Railroads	Public Utilities	Industrials and Others
1929	Aaa	4.60	4.85	4.86	4.83	....	4.68	4.69	4.91	....	4.82	4.87	4.96
	Aa	....	4.84	4.99	....	....	4.85	4.96	5.14	....	4.82	4.92	4.95
	A	....	5.27	5.38	5.49	....	5.23	5.30	5.60	....	5.11	5.51	5.70
	Baa	....	....	5.35	6.13	....	5.50	6.29	6.15	....	5.84	6.27	5.72
	Ba	....	....	6.66	7.64	....	....	6.83	7.16	....	....	6.[illegible]	7.23
	B	....	8.77	8.29	....	....	9.13	....	20.71	....	....	....	8.47
1930	Aaa	4.40	4.61	4.74	4.70	....	4.46	4.57	4.54	....	4.55	4.64	4.62
	Aa	....	4.59	4.86	....	....	4.62	4.81	4.79	....	4.61	4.83	4.77
	A	....	5.08	5.16	....	....	5.07	5.17	5.37	....	5.27	5.32	....
	Baa	....	6.08	6.26	5.93	....	5.81	6.31	5.97	....	5.71	7.11	5.91
	Ba	....	5.45	6.72	7.82	....	4.88	7.54	6.86	....	5.47	7.02	6.84
	B	....	18.67	9.04	....	....	8.50	....	7.49	....	....	....	9.37
1931	Aaa	4.49	4.58	4.78	4.94	....	4.81	4.59	5.08	....	4.99	4.72	4.61
	Aa	....	5.50	5.06	....	....	5.60	4.96	5.04	....	6.01	5.07	5.46
	A	....	7.55	5.94	....	....	7.60	5.96	6.43	....	....	6.38	....
	Baa	....	10.33	8.36	8.55	....	9.90	8.18	8.16	....	....	8.48	8.08
	Ba	....	12.25	9.55	13.31	....	11.87	11.97	10.05	....	16.43	13.30	8.79
	B	....	....	19.46	....	....	....	....	14.35	....	....	13.58	14.97

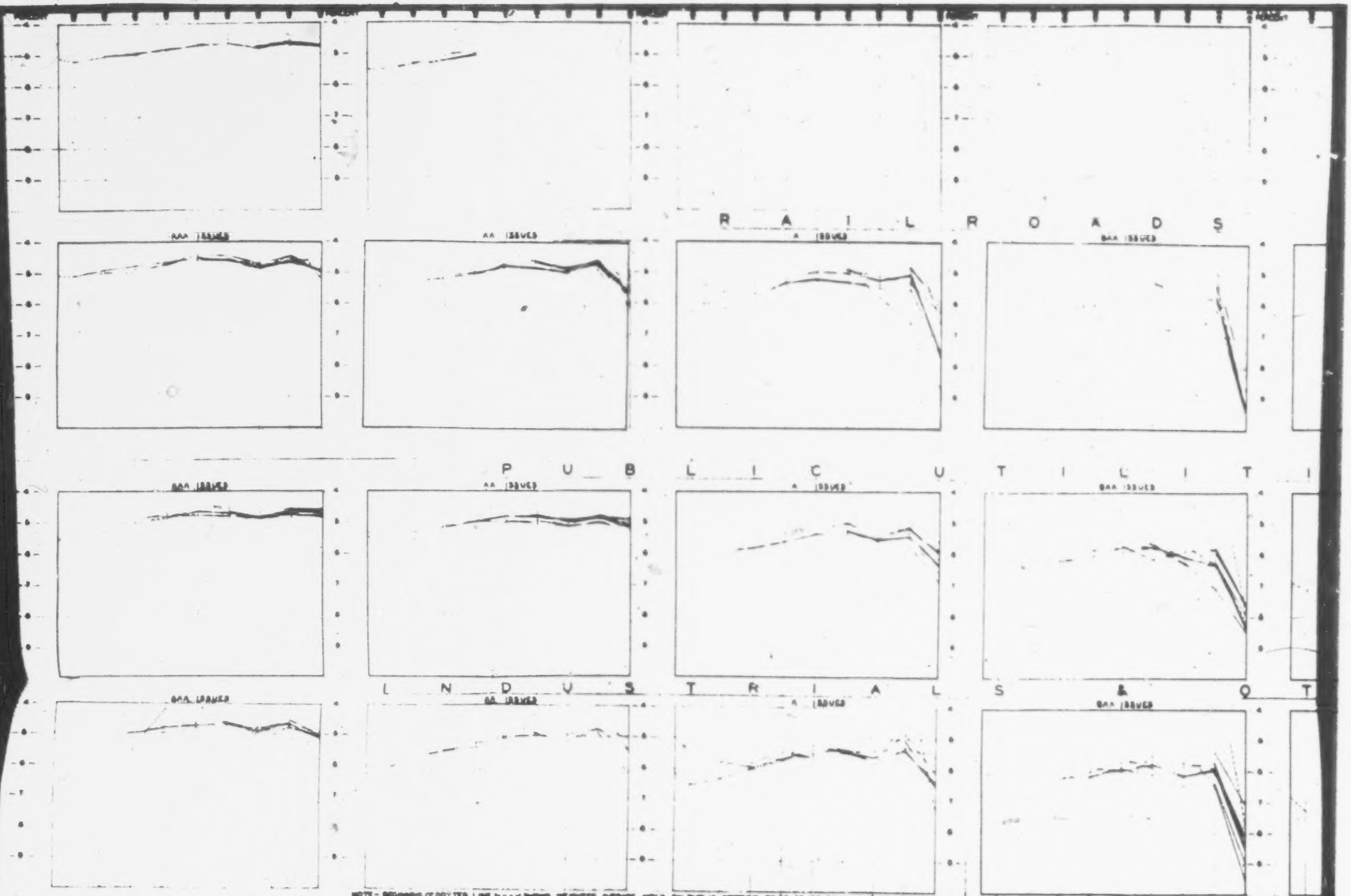
EXHIBIT X-241 (CONTINUED)

		Issues Offered in 1929				Issues Offered in 1930				Issues Offered in 1931			
1929	Aaa	4.76	4.87	4.82	....								
	Aa	....	4.98	5.06	....								
	A	....	5.78	5.47	....								
	Baa	....	....	5.70	....								
	Ba	....	....	5.98	6.93								
	B	....	....	....	....								
1930	Aaa	4.58	4.64	4.64	....	4.73	4.48	4.59	4.79				
	Aa	....	4.59	4.82	....	....	4.60	4.78	4.88				
	A	....	6.60	5.14	....	....	4.84	4.92	5.05				
	Baa	....	5.54	6.29	5.37	....	5.33	5.93	6.42				
	Ba	....	....	....	6.07	....	6.02	....	6.42				
	B	....	....	....	....	....	....	....	....				
1931	Aaa	4.74	5.14	4.66	....	4.74	4.94	4.61	5.10	....	5.20	4.59	....
	Aa	....	5.20	4.93	....	....	5.59	4.87	6.20	....	5.98	4.85	5.47
	A	....	8.68	6.18	....	....	6.17	5.83	6.57	....	6.68	5.61	7.38
	Baa	....	....	8.00	7.05	....	9.27	7.67	8.97	....	8.07	7.99	7.81
	Ba	....	16.42	10.29	7.49	....	18.12	8.37	10.52	....	....	....	....
	B	....	....	....	....	....	....	....	....	....	....	....	....

EXHIBIT X-242

TREND OF AVERAGES OF BOND YIELDS ON RESALE FROM DATE OF ISSUE TO 1931 GROUPED BY RATINGS MOODY'S IN YEAR OF RESALE





BASED ON EXHIBIT
YIELDS ABOVE 9% NOT INDICATED

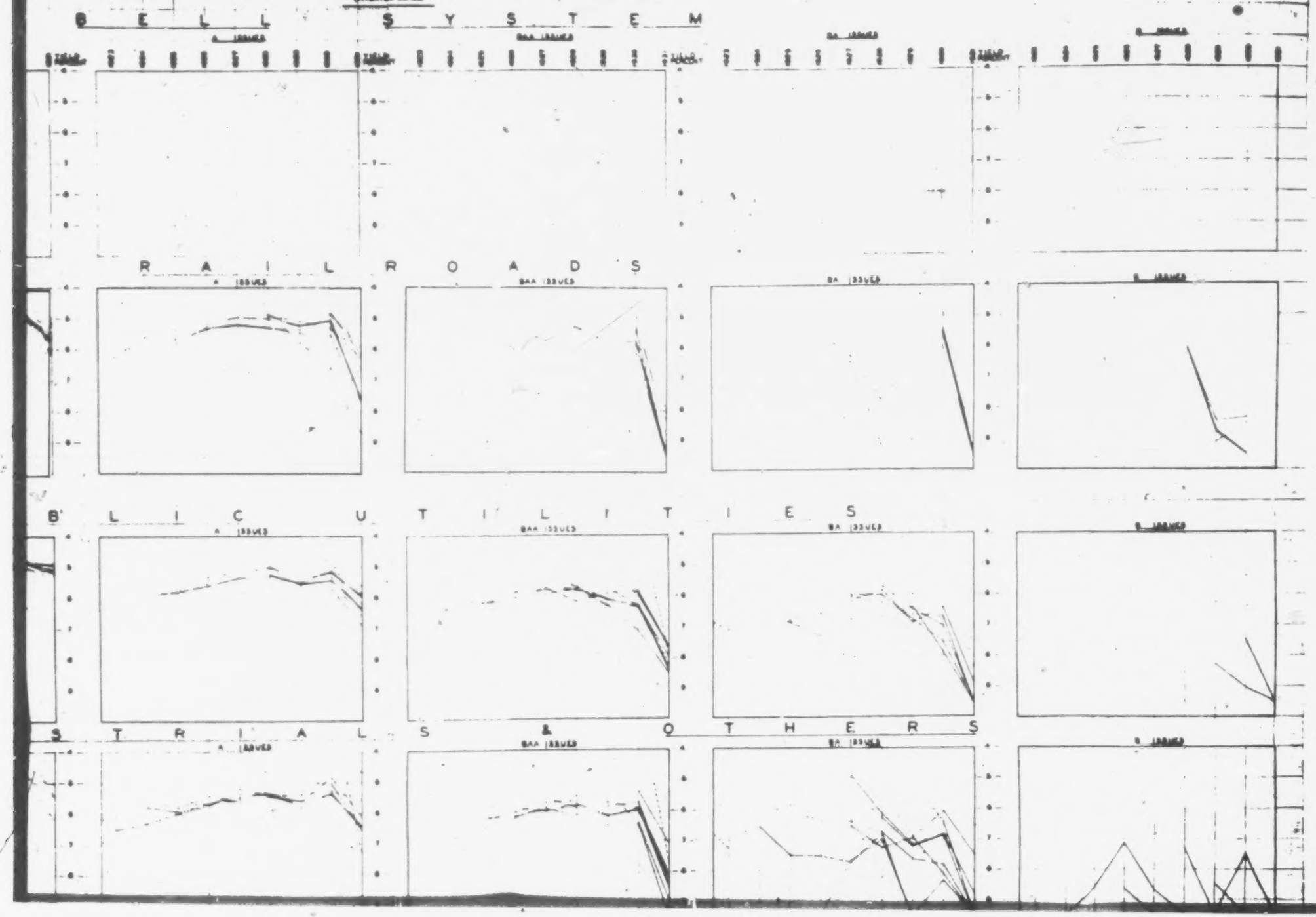
NOTE - BEGINNING OF DOTTED LINE [----] SHOWS WEIGHTED AVERAGE YIELD ON PUBLIC OFFERING PRICE OF ISSUES IN YEAR DESIGNATED ON VERTICAL LINE AT WHICH DOTTED LINE ENDS. SOLID LINE (——) APPEARING AS CO
SHOWS AVERAGE YIELD (BY ISSUES) INDICATED BY DOTTED LINE ON RESALE PRICE IN EACH YEAR. POINT AT WHICH SOLID LINE TOUCHES VERTICAL LINE DESIGNATED AVERAGE YIELD ON RESALES IN YEAR DE
SOLID LINE NOT PRECEDED BY DOTTED LINE REPRESENTS AVERAGE YIELD ON RESALE PRICE OF ISSUES WHOSE RATING HAS CHANGED SINCE PUBLIC OFFERING.

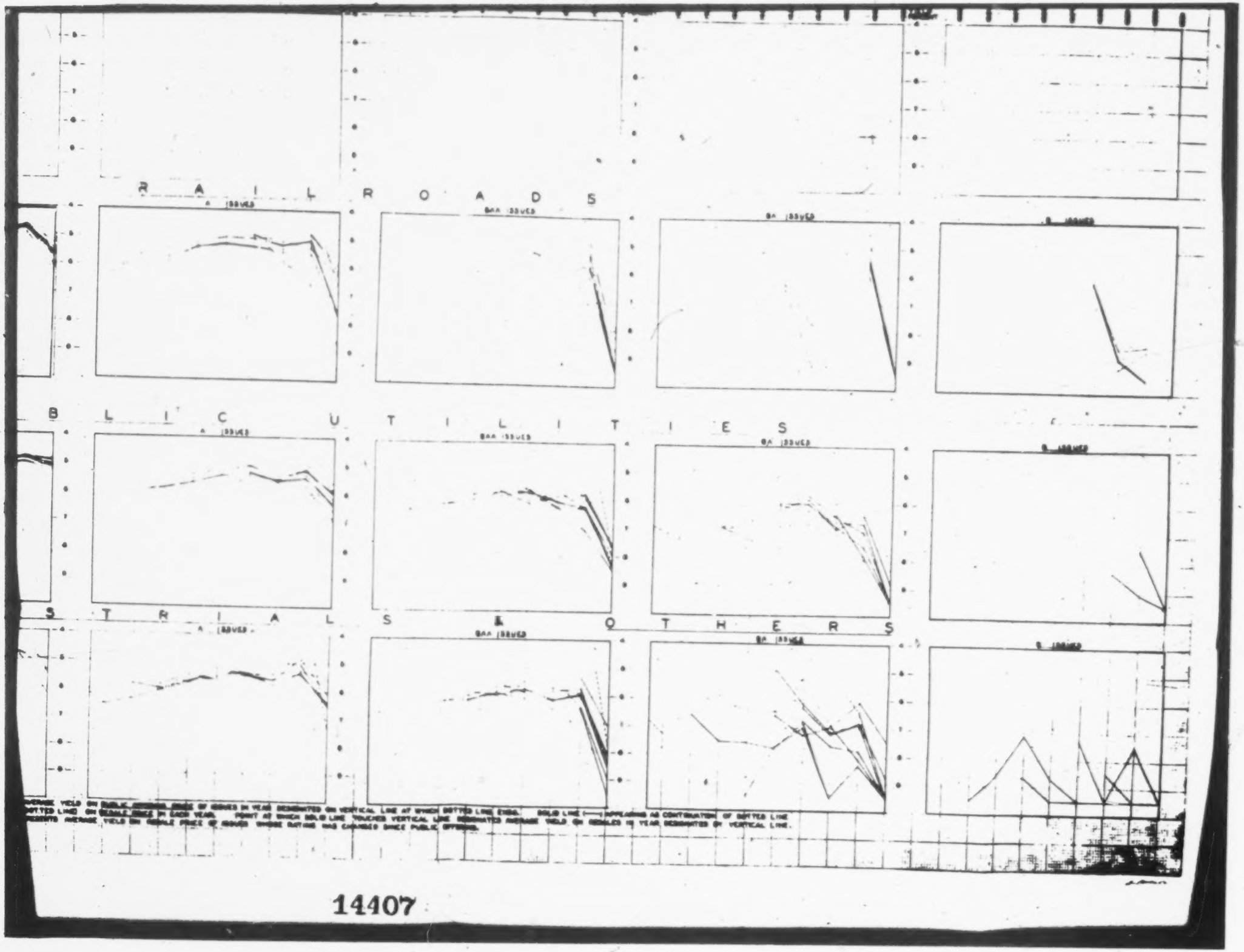
14407

EXHIBIT X-242

Exhibit No. X-[illegible]

AVERAGES OF BOND YIELDS ON RESALE FROM DATE OF ISSUE
1931 GROUPED BY RATINGS (MOODYS) IN YEAR OF RESALE





14407

[fol. 14408]

Exhibit X-243

Average Yield on Resale of Bonds, 1923 to 1931, Inclusive

Yields on Cumulative Classification (According to Investment Rating), Showing Average Yield in Each Year on All Bonds of the Same Class Issued in 1923 and in Subsequent Years to and Including the Indicated Year of Resale

Year of Issue	Average Yield								
	1923	1924	1925	1926	1927	1928	1929	1930	1931
Railroads									
Aaa Issues:									
1923	5.20	5.05	4.96	4.84	4.72	4.64	4.82	4.67	4.75
1924	....	....	....	....	4.69	4.68	4.78	4.67	4.78
1925	....	....	4.95	4.86	4.69	4.52	4.75	4.63	4.73
1926	....	....	....	4.83	4.56	4.34	4.60	4.40	4.49
1927	....	....	....	....	....	....	....	....	....
1928	....	....	....	....	....	....	....	....	....
1929	....	....	....	....	....	....	4.76	4.58	4.74
1930	....	....	....	....	....	....	....	4.73	4.74
1931	....	....	....	....	....	....	....	....	....
Average	5.20	5.05	4.96	4.84	4.69	4.57	4.76	4.64	4.72
Aa Issues:									
1923	5.50	5.35	5.24	5.08	....	....	....	....	....
1924	....	5.33	5.08	4.86	....	....	....	....	....
1925	....	....	5.23	5.03	....	....	....	....	....
1926	....	....	....	....	....	....	....	....	....
1927	....	....	....	....	....	....	....	....	....
1928	....	....	....	....	....	....	....	....	....
1929	....	....	....	....	....	....	....	....	....
1930	....	....	....	....	....	....	....	....	....
1931	....	....	....	....	....	....	....	....	....
Average	5.50	5.35	5.18	4.99	....	....	....	....	....
Bell System									
Aaa Issues:									
1923	5.09	4.90	4.78	4.67	4.51	4.58	4.76	4.64	4.93
1924	....	5.00	4.89	4.76	4.61	4.62	4.84	4.66	4.90
1925	....	....	4.98	4.75	4.40	4.45	4.73	4.47	4.95
1926	....	....	....	4.70	4.55	4.61	4.85	4.61	4.58
1927	....	....	....	....	4.47	4.45	4.68	4.46	4.81
1928	....	....	....	....	....	4.56	4.82	4.55	4.99
1929	....	....	....	....	....	....	4.87	4.64	5.14
1930	....	....	....	....	....	....	....	4.48	4.94
1931	....	....	....	....	....	....	....	....	5.20
Average	5.09	4.97	4.88	4.73	4.53	4.55	4.77	4.56	4.93
Aa Issues:									
1923	5.44	5.35	5.16	5.02	4.82	4.84	4.96	4.69	5.39
1924	....	5.46	5.32	5.06	4.77	4.84	4.83	4.73	5.67
1925	....	....	5.21	5.01	4.74	4.81	4.99	4.85	6.18
1926	....	....	....	4.92	4.69	4.66	4.84	4.59	5.50
1927	....	....	....	....	4.54	4.60	4.85	4.62	5.60
1928	....	....	....	....	....	4.60	4.82	4.61	6.01
1929	....	....	....	....	....	....	4.98	4.59	5.20
1930	....	....	....	....	....	....	....	4.60	5.59
1931	....	....	....	....	....	....	....	....	5.98
Average	5.44	5.42	5.24	5.02	4.73	4.76	4.92	4.67	5.72

Note.—This statement includes issues of $5,000,000 and over during period shown, except convertibles and issues with stock purchase warrants.

[fol. 14409] EXHIBIT X-243—Continued

Average Yield

Year of Issue	1923	1924	1925	1926	1927	1928	1929	1930	1931
Bell System									
A Issues:									
1923	6.25	5.61	5.37					4.85	5.93
1924		5.84	5.67	5.35	5.22	5.32	5.37	5.33	6.27
1925			5.82	5.28	5.21	5.30	5.49	5.53	7.71
1926				5.18	4.96	5.02	5.27	5.08	7.55
1927					4.76	4.91	5.23	5.07	7.86
1928						4.90	5.11	5.27	
1929							5.78	6.60	8.89
1930								4.84	6.17
1931									6.86
Average	6.25	5.77	5.64	5.27	4.99	5.07	5.33	5.29	7.10
Baa Issues:									
1923								4.89	8.70
1924					5.39			5.21	8.21
1925			6.53	6.00	5.46			5.42	12.27
1926					5.39			6.08	10.23
1927					5.23	5.29	5.50	5.81	9.99
1928						5.24	5.84	5.71	
1929								5.54	
1930								5.33	9.27
1931									8.87
Average			6.53	6.00	5.32	5.27	5.58	5.53	9.39
Ba Issues:									
1923									
1924								5.37	16.49
1925			6.86	7.59	6.49	9.22		5.59	10.91
1926				6.51	6.30	7.75		5.45	12.23
1927					6.30	7.75		4.88	11.87
1928								5.47	16.49
1929									16.49
1930								6.02	15.12
1931									
Average			6.86	6.56	6.40	7.55		5.39	15.00
B Issues:									
1923									
1924						6.10	8.43	8.33	
1925						6.09	8.80	19.07	
1926						6.10	8.77	18.67	
1927							9.13	8.50	
1928									
1929									
1930									
1931									
Average						6.10	8.78	13.84	

NOTE.—This statement includes issues of $5,000,000 and over during period shown, except convertibles and issues with stock purchase warrants.

[fol. 24410] EXHIBIT X-243—Continued

Year of Issue	1923	1924	1925	1926	1927	1928	1929	1930	1931
				Public Utilities					
Aaa Issues:									
1923	5.55	5.31	5.01	4.89	4.75	4.85	4.87	4.84	4.74
1924		5.03	4.84	4.82	4.67	4.69	4.84	4.68	4.70
1925			4.93	4.72	4.80	4.78	4.89	4.73	4.84
1926				4.84	4.66	4.72	4.86	4.74	4.78
1927					4.49	4.54	4.69	4.57	4.59
1928						4.64	4.87	4.64	4.72
1929							4.82	4.64	4.66
1930								4.59	4.61
1931									4.59
Average	5.55	5.12	4.90	4.82	4.65	4.67	4.81	4.66	4.66
Aa Issues:									
1923	5.84	5.55	5.27	5.12	5.02	4.96	5.11	5.03	5.28
1924		5.32	5.14	5.00	4.95	5.06	5.16	5.02	5.15
1925			5.15	4.99	4.82	4.81	4.95	4.84	5.18
1926				4.96	4.82	4.84	4.99	4.86	5.06
1927					5.69	4.78	4.96	4.81	4.96
1928						4.64	4.92	4.83	5.07
1929							5.06	4.82	4.93
1930								4.78	4.87
1931									4.85
Average	5.84	5.39	5.18	5.01	4.84	4.86	5.02	4.87	5.02
A Issues:									
1923	6.23	5.95	5.78	5.61	5.36	5.38	5.60	5.70	6.89
1924		5.85	5.81	5.58	5.35	5.31	5.53	5.42	6.33
1925			5.66	5.46	5.26	5.26	5.55	5.43	6.58
1926				5.30	5.13	5.02	5.38	5.18	5.94
1927					5.02	5.01	5.30	5.17	5.96
1928						5.24	5.51	5.32	6.38
1929							5.47	5.14	6.18
1930								4.92	5.83
1931									5.61
Average	6.23	5.90	5.75	5.47	5.15	5.13	5.44	5.24	6.08
Baa Issues:									
1923	6.44	6.35	5.99	5.86	5.76	5.76		5.80	7.61
1924		6.42	6.18	6.03	5.73	6.14	5.88	5.81	7.61
1925			6.18	6.12	5.88	5.75	6.10	6.33	8.32
1926				5.84	5.54	5.65	6.08	6.26	8.36
1927					5.61	5.77	6.29	6.31	8.18
1928						5.69	6.27	7.11	8.48
1929							5.70	6.29	8.00
1930								5.93	7.67
1931									7.99
Average	6.44	6.39	6.16	5.97	5.66	5.76	6.18	6.28	8.12

NOTE.—This statement includes issues of $5,000,000 and over during period shown, except convertibles and issues with stock purchase warrants.

[fol. 14411] EXHIBIT X-243—Continued

Year of Issue	1923	1924	1925	1926	1927	1928	1929	1930	1931
Ba Issues:									
1923	7.12		6.88						
1924		6.56	6.89	7.35	6.81	6.73	6.41	7.89	13.01
1925			6.83	6.61	6.20	5.87	6.91	6.41	8.82
1926				6.14	6.08	6.27	6.66	6.72	9.55
1927					6.01	6.02	6.83	7.54	11.97
1928						5.72	6.47	7.02	13.20
1929							5.98		10.29
1930									8.37
1931									
Average	7.12	6.56	6.88	6.36	6.18	6.06	6.81	7.34	11.46
B Issues:									
1923									
1924									
1925								7.46	31.10
1926							8.29	9.04	19.46
1927									
1928									13.56
1929									
1930									
1931									
Average							8.29	8.52	20.46
				Industrials					
Aaa Issues:									
1923			5.54	4.17					
1924		5.16	5.01	4.85	4.74	4.71	4.77	4.68	5.18
1925			5.59	4.97	4.84	4.86	4.91	4.84	5.04
1926				4.81	4.77	4.75	4.83	4.70	4.96
1927					4.66	4.64	4.91	4.54	5.08
1928						4.68	4.96	4.62	4.81
1929									
1930								4.79	5.10
1931									
Average		5.16	5.38	4.73	4.74	4.72	4.88	4.73	5.01
Aa Issues:									
1923	6.18	5.67	5.52	5.36	5.30				
1924									
1925			5.50	5.25	5.06				
1926									
1927					5.06	4.99	5.14	4.7[illegible]	5.04
1928						4.94	4.95	4.77	5.00
1929									
1930								4.88	6.20
1931									5.07
Average	6.18	5.67	5.51	5.30	5.10	4.98	5.09	4.81	5.55
A Issues:									
1923	6.51	6.31	5.99	5.72	5.54	5.41	5.39	5.28	5.58
1924		5.77	5.92	5.69	5.48	5.35	5.79	5.34	6.28

NOTE.—This statement includes issues of $5,000,000 and over during period shown, except convertibles and issues with stock purchase warrants.

[fol. 14412]

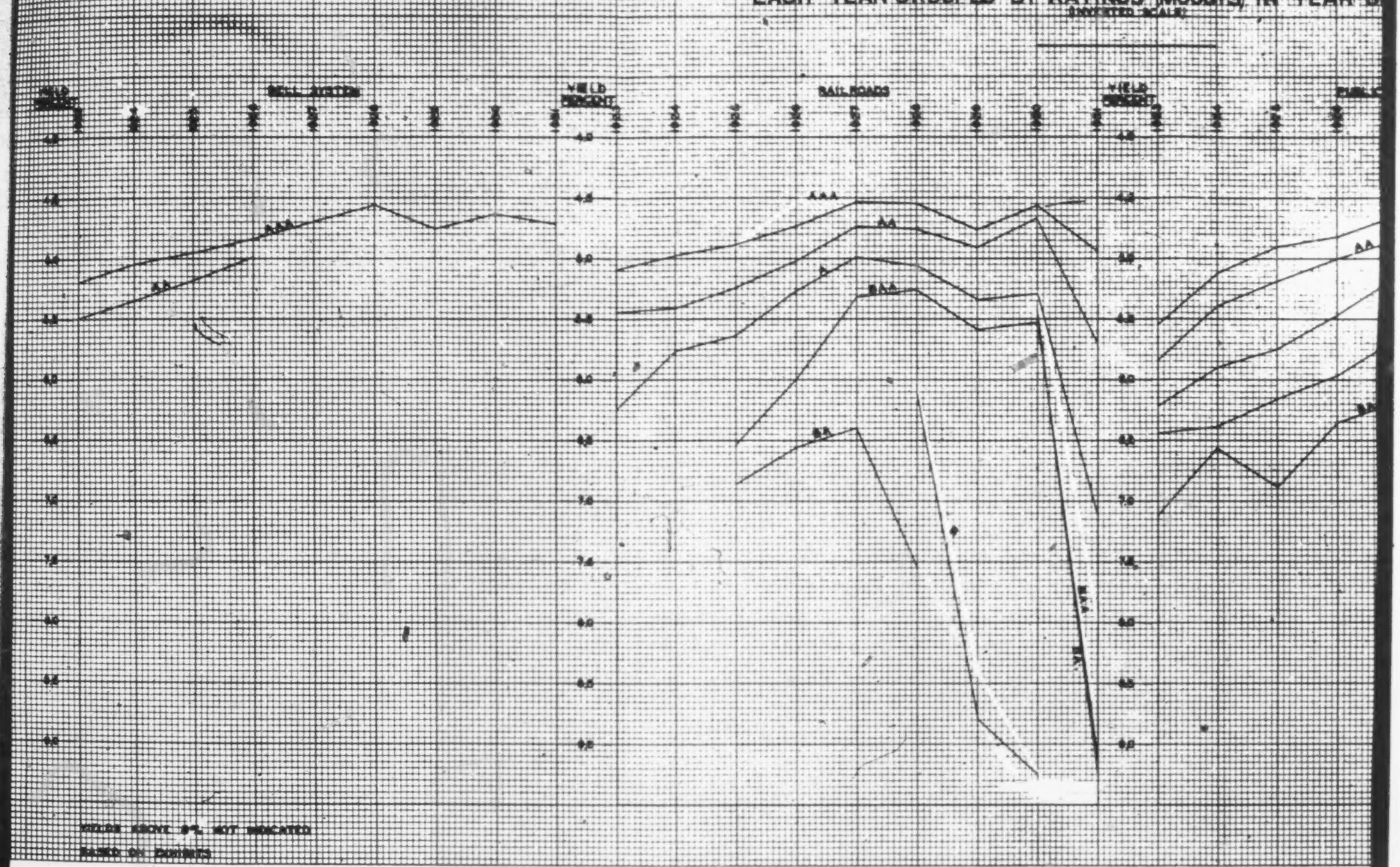
EXHIBIT X-243—Continued

Year of Issue	1923	1924	1925	1926	1927	1928	1929	1930	1931
1925			5.79	5.42	5.63	5.44	5.60	4.84	6.11
1926				5.69	5.38	5.37	5.49		
1927					5.21	5.41	5.60	5.37	6.43
1928						5.44	5.70		
1929								5.05	6.57
1930									7.38
1931									
Average	6.51	6.25	5.92	5.63	5.38	5.41	5.61	5.25	6.43
Baa Issues:									
1923	7.06	6.82	6.50	6.18	5.91	6.10	6.47	6.44	9.18
1924		6.54	6.25	6.00	5.70	5.66		20.63	
1925			6.20	6.16	5.84	5.82	5.83	5.73	8.36
1926				5.88	5.99	5.76	6.13	5.93	8.55
1927					5.56	5.88	6.15	5.97	8.16
1928						5.50	5.72	5.91	8.08
1929								5.37	7.05
1930								6.42	8.97
1931									7.81
Average	7.06	6.74	6.33	6.08	5.81	5.81	6.09	6.81	8.37
Ba Issues:									
1923	7.27			9.42	7.68	6.99	9.39	8.33	10.78
1924		6.55	7.51	7.53	7.74	6.81	10.28		8.04
1925			5.85		6.55	7.27	6.94	8.12	14.50
1926				6.36	6.40	6.77	7.64	7.82	13.31
1927					5.92	6.14	7.16	6.86	10.05
1928						6.28	7.22	6.84	8.79
1929							6.93	6.07	7.49
1930								6.42	10.52
1931									
Average	7.27	6.55	7.18	7.57	6.65	6.52	7.77	7.34	11.03
B Issues:									
1923		9.59	8.61	7.14	8.70	9.57	10.66	17.45	28.10
1924				8.66	11.14	10.98	10.88	16.89	38.31
1925									
1926									
1927						7.31	20.71	7.49	14.35
1928							8.47	9.37	14.97
1929									
1930									
1931									
Average		9.59	8.61	8.15	10.32	9.52	12.99	12.14	23.34

NOTE.—This statement includes issues of $5,000,000 and over during period shown, except convertibles and issues with stock purchase warrants.

EXHIBIT X-244

TREND OF AVERAGES OF YIELDS OF BONDS ISSUED IN YEARS 192
EACH YEAR GROUPED BY RATINGS (MOODY'S) IN YEAR O



YIELDS ABOVE 5% NOT INDICATED
BASED ON MONTHS

EXHIBIT X-244

OF AVERAGES OF YIELDS OF BONDS ISSUED IN YEARS 1923 TO 1931 RESOLD IN EACH YEAR GROUPED BY RATINGS (MOODY'S) IN YEAR OF RESALE

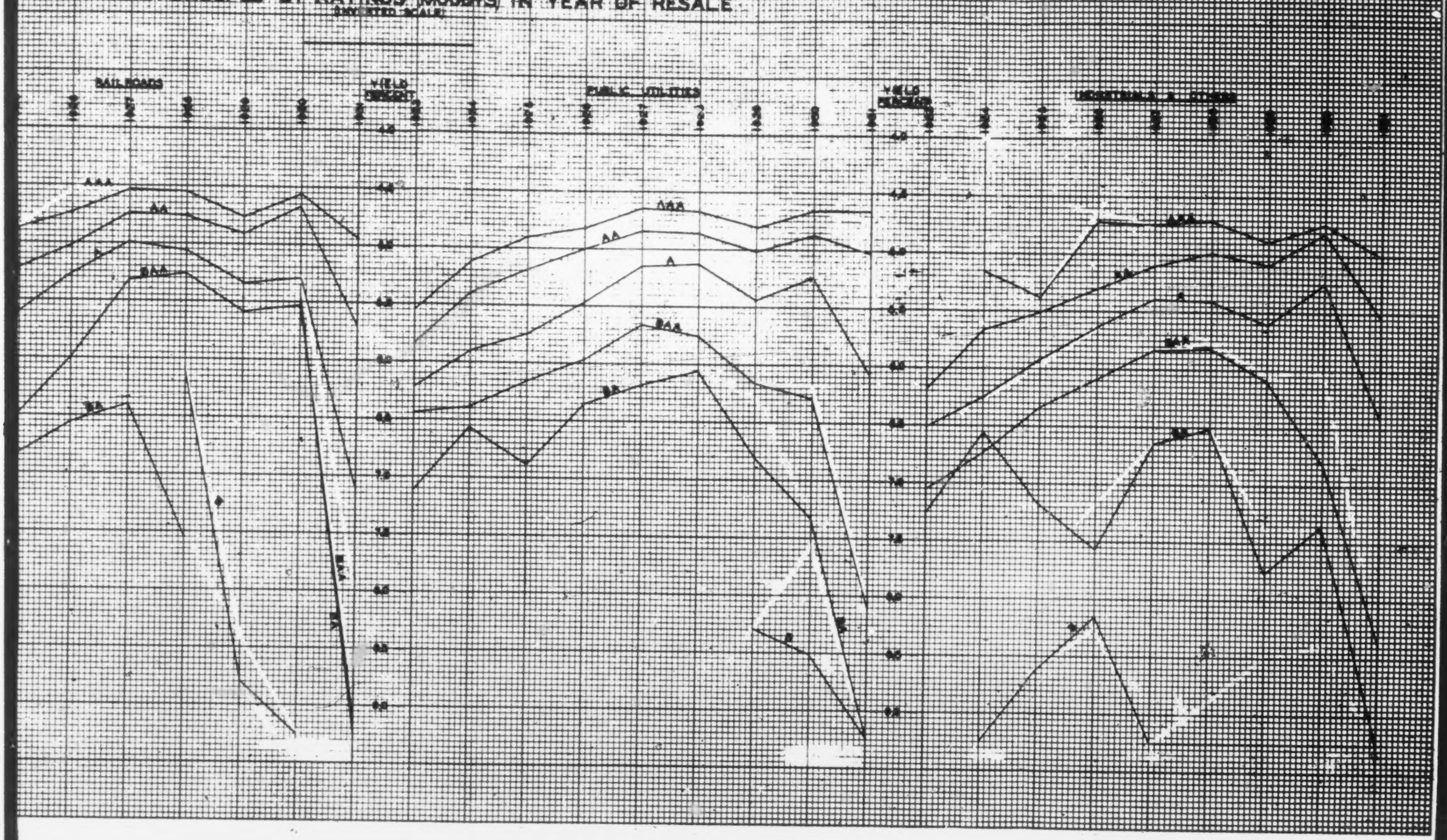


EXHIBIT X-245

Weighted Average Yield on Resale of Bonds, 1923 to 1931, Inclusive

Showing Weighted Average Yield on Each Class, Including Resales of All Bonds Issued from 1923 to Year of Resale

Year of Resale and Yield

	1923		1924		1925		1926		1927		1928		1929		1930		1931	
Rating in Year of Resale	Issues	Av. Yield	Issues	Av. Yield	Issues	Av. Yield	Issues	Av. Yield	Issues	Av. Yield	Issues	Av. Yield	Issues	Av. Yield	Issues	Av. Yield	Issues	Av. Yield
Aaa																		
Bell System	1	5.20	1	5.05	3	4.96	4	4.84	7	4.69	7	4.57	8	4.76	10	4.64	10	4.72
Railroads	6	5.09	17	4.97	22	4.88	24	4.73	32	4.53	39	4.55	42	4.77	37	4.56	33	4.93
Public Utilities	1	5.55	3	5.12	4	4.90	6	4.82	11	4.65	31	4.67	30	4.81	31	4.66	37	4.66
Industrials			1	5.16	3	5.38	6	4.73	7	4.74	7	4.72	8	4.88	10	4.73	10	5.01
Aa																		
Bell System	2	5.50	3	5.35	3	5.18	3	4.99										
Railroads	5	5.44	11	5.42	18	5.24	21	5.02	23	4.73	25	4.76	25	4.92	37	4.67	43	5.72
Public Utilities	2	5.84	14	5.39	24	5.18	34	5.01	47	4.84	46	4.86	66	5.02	62	4.87	75	5.02
Industrials	2	6.18	1	5.67	2	5.51	2	5.30	6	5.10	5	4.98	4	5.09	4	4.81	4	5.55
A																		
Bell System																		
Railroads	1	6.25	7	5.77	9	5.64	14	5.27	17	4.99	22	5.07	25	5.33	20	5.29	18	7.10
Public Utilities	11	6.23	32	5.90	44	5.75	63	5.47	80	5.15	104	5.13	102	5.44	115	5.24	121	6.08
Industrials	10	6.51	10	6.25	12	5.92	11	5.63	14	5.38	20	5.41	18	5.61	10	5.25	10	6.43
Baa																		
Bell System																		
Railroads					1	6.53	1	6.00	8	5.32	5	5.27	4	5.58	24	5.53	20	9.39
Public Utilities	6	6.44	20	6.39	34	6.16	49	5.97	63	5.66	54	5.76	43	6.18	65	6.28	73	8.12
Industrials	6	7.06	10	6.74	19	6.33	29	6.08	35	5.81	35	5.81	33	6.09	38	6.81	34	8.37
Ba																		
Bell System																		
Railroads					1	6.86	3	6.56	4	6.40	4	7.55			9	5.39	16	15.66
Public Utilities	1	7.12	4	6.56	5	6.88	10	6.36	13	6.18	19	6.06	21	6.81	23	7.34	32	11.48
Industrials	1	7.27	1	6.55	5	7.17	8	7.57	12	6.65	17	6.52	15	7.77	20	7.34	26	11.03
B																		
Bell System																		
Railroads											3	6.10	6	8.78	4	13.84		
Public Utilities													1	8.29	3	8.52	4	20.40
Industrials			1	9.59	1	8.61	3	8.15	3	10.32	6	9.52	7	12.99	7	12.14	7	23.34

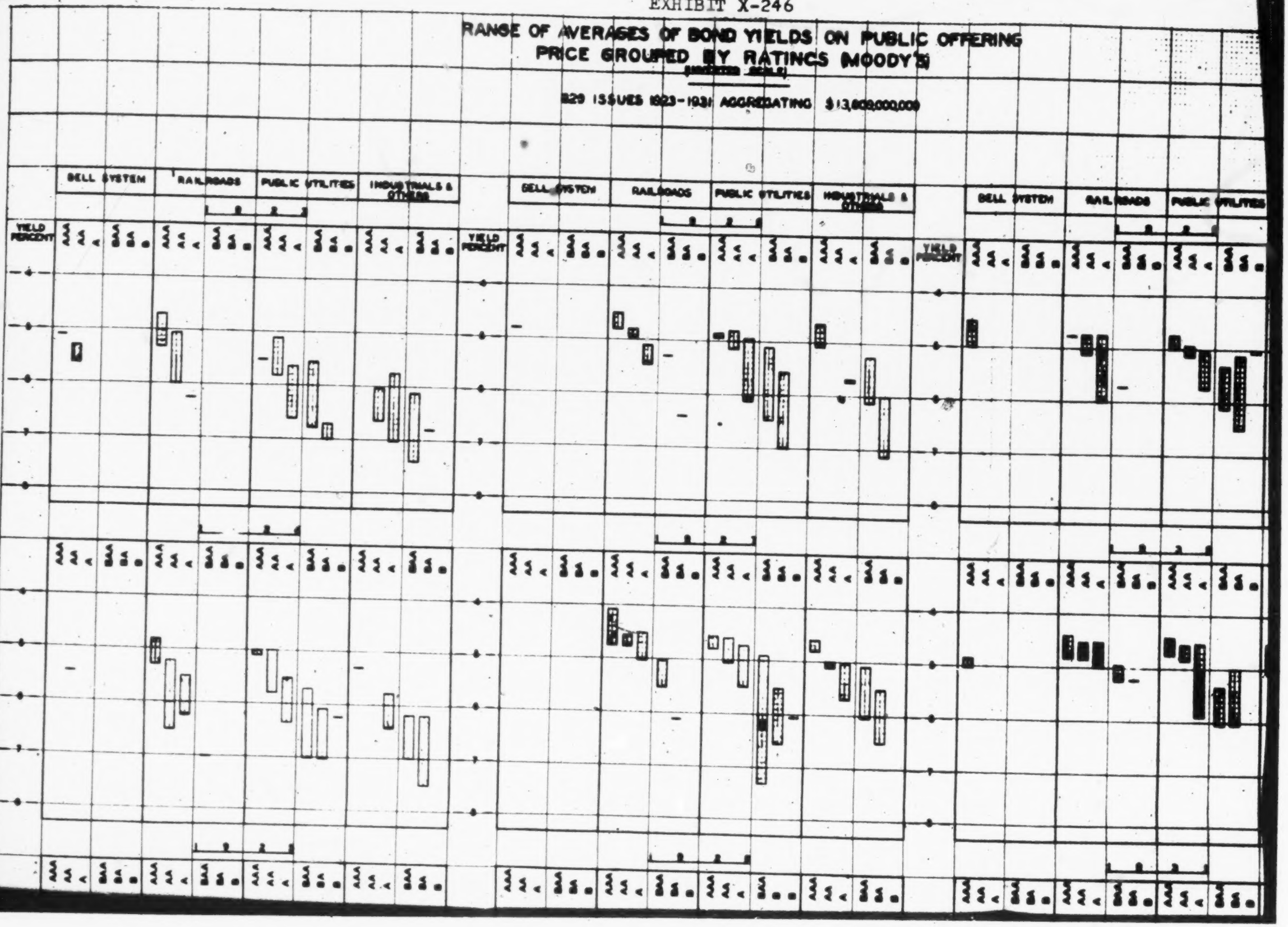
This statement includes all issues of $5,000,000 and over, except convertibles and bonds issued with stock purchase warrants.

EXHIBIT X-246

RANGE OF AVERAGES OF BOND YIELDS ON PUBLIC OFFERING PRICE GROUPED BY RATINGS (MOODY'S)

(UNIFORM SCALE)

829 ISSUES 1923-1931 AGGREGATING $13,809,000,000



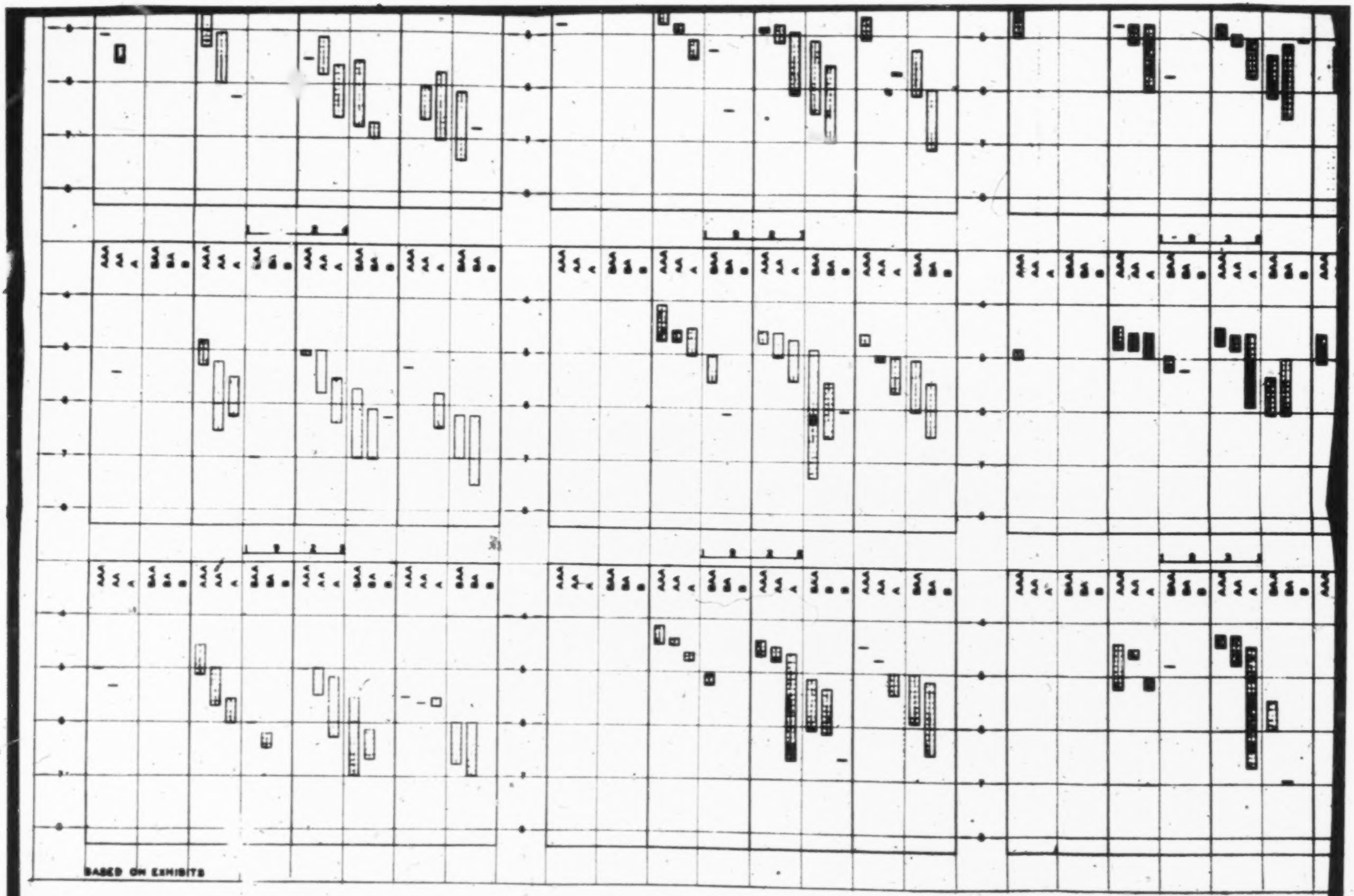
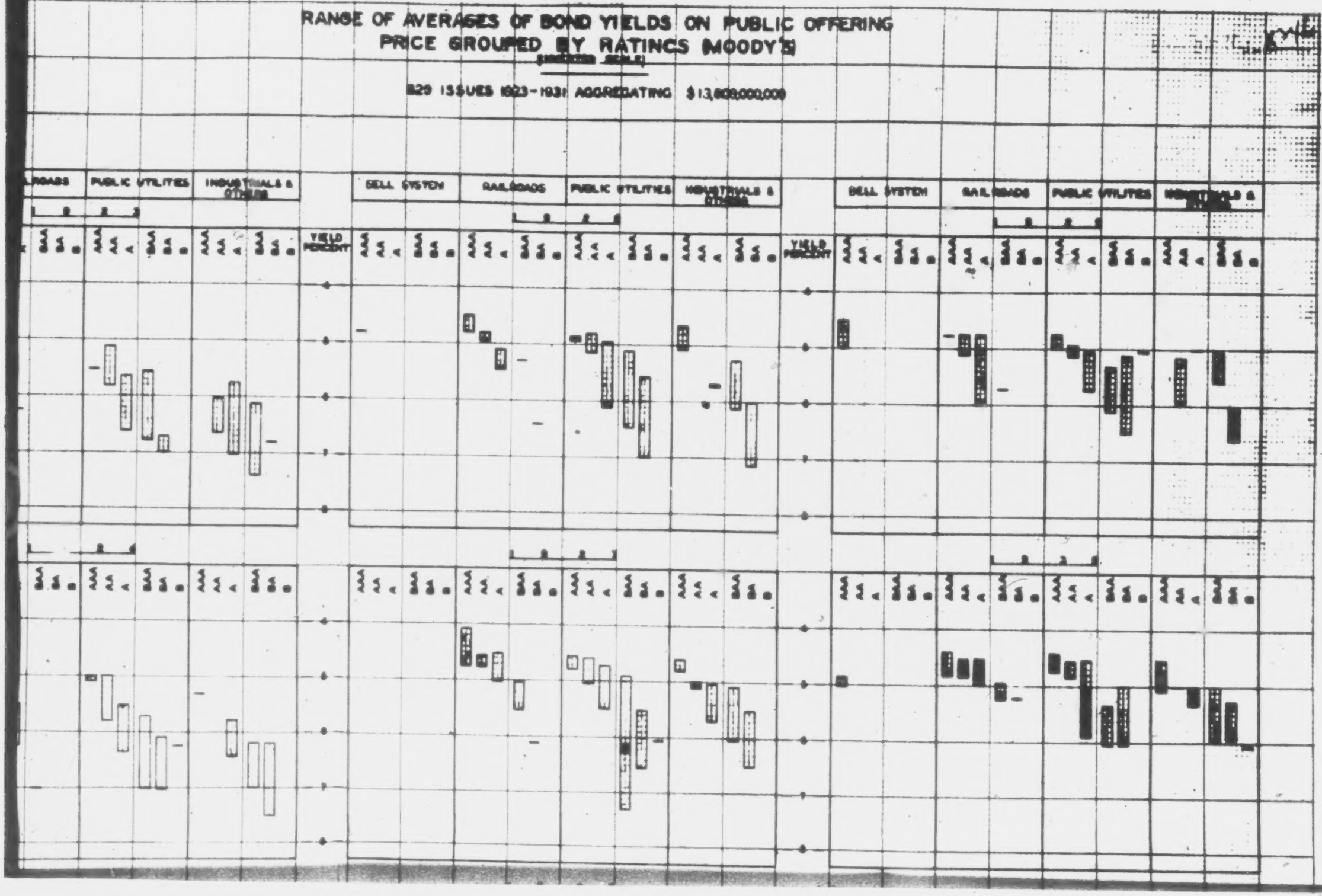

BASED ON EXHIBITS

EXHIBIT X-246

RANGE OF AVERAGES OF BOND YIELDS ON PUBLIC OFFERING PRICE GROUPED BY RATINGS (MOODY'S)

829 ISSUES 1923-1931 AGGREGATING $13,809,000,000



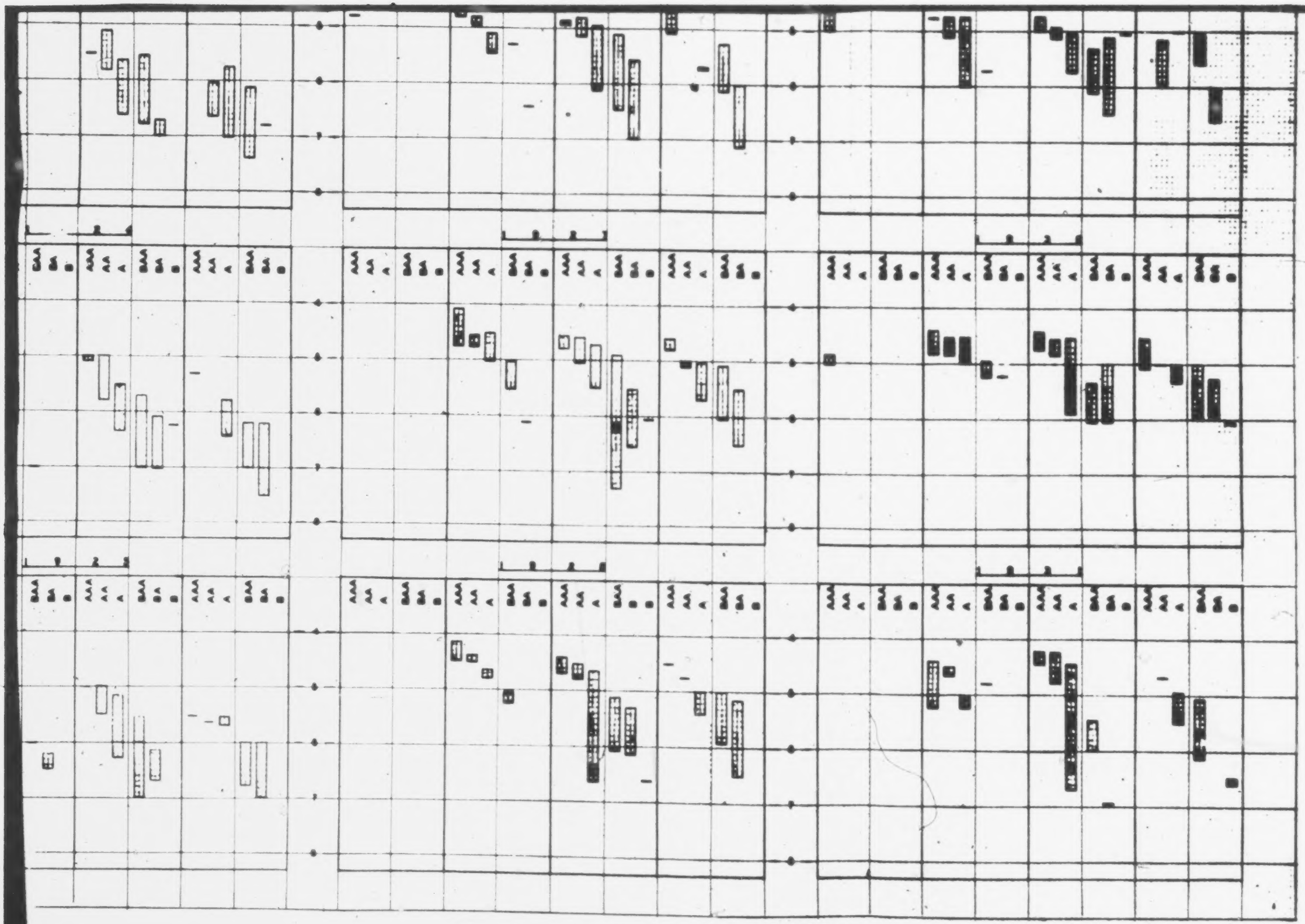


EXHIBIT X-247

Range of Averages of Yields on Public Offering Price of Bonds Grouped by Investment Ratings (Moody's), 1923 to 1931, Inclusive

Showing the Highest Average Yield on Any Issue Within Its Class and the Lowest Average Yield on Any Issue Within Its Class, based on Offering Price (Includes Convertible Issues and Issues with Stock Purchase Warrants)

	Issues Offered in 1923								Issues Offered in 1924							
	Bell System		Railroads		Public Utilities		Industrials and Others		Bell System		Railroads		Public Utilities		Industrials and Others	
Rating	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.
Aaa	5.11	5.11	5.32	4.70	5.52	5.52	....	....	5.44	5.44	5.30	4.82	5.10	5.00	5.29	5.29
Aa	5.63	5.31	6.00	5.05	5.82	5.12	6.64	6.04	....	....	6.51	5.23	5.79	5.00	....	....
A	....	....	6.25	6.25	6.62	5.63	7.02	5.75	....	....	6.25	5.50	6.35	5.52	6.44	5.77
Baa	....	....	....	....	6.78	5.55	7.39	6.13	....	....	7.00	7.00	7.02	5.71	6.99	6.18
Ba	....	....	....	....	7.00	6.71	6.78	6.78	....	....	4.92	4.92	7.03	6.08	7.50	6.20
B	....	....	....	....	....	....	....	....	....	....	....	....	6.24	6.24	....	....
	Issues Offered in 1925								Issues Offered in 1926							
Aaa	5.00	5.00	5.12	4.55	5.00	5.00	5.52	5.52	4.83	4.83	4.81	4.51	4.95	4.85	5.08	4.65
Aa	5.32	5.32	5.69	4.96	5.50	4.97	5.63	5.63	....	....	4.95	4.82	5.15	4.80	....	....
A	....	....	6.02	5.56	6.28	5.16	5.70	5.53	....	....	5.46	5.11	6.12	4.95	5.73	5.67
Baa	....	....	6.00	6.00	7.00	5.53	6.77	6.00	....	....	5.30	5.30	6.47	5.11	6.12	5.26
Ba	....	....	6.47	6.20	6.69	6.13	7.00	6.00	....	....	6.41	6.41	6.98	5.57	7.14	6.00
	Issues Offered in 1927								Issues Offered in 1928							
Aaa	....	....	4.76	4.07	4.78	4.55	4.81	4.60	....	....	4.50	4.14	4.69	4.40	4.50	4.50
Aa	....	....	4.76	4.55	5.06	4.58	5.12	5.00	....	....	4.51	4.38	4.80	4.52	4.76	4.76
A	....	....	5.03	4.51	5.50	4.71	5.70	5.04	....	....	4.80	4.65	6.54	4.64	5.40	4.99
Baa	....	....	5.53	5.01	7.30	4.90	6.04	5.09	....	....	5.23	5.04	6.07	5.12	5.93	5.00
Ba	....	....	6.11	6.11	6.55	5.61	6.50	5.50	....	....	....	....	6.15	5.30	6.50	5.14
B	....	....	....	....	6.07	6.07	....	....	....	....	....	....	6.61	6.61	....	....

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EXHIBIT X-247—Continued

Rating	Issues Offered in 1923								Issues Offered in 1924					
	Bell System		Railroads		Public Utilities		Industrials and Others		Bell System		Railroads		Public Utilities		Industrials and Others	
	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.
			Issues Offered in 1929								Issues Offered in 1930					
Aaa	5.00	4.50	4.77	4.77	5.00	4.75	....	....	5.03	4.86	4.81	4.40	4.75	4.41	5.08	4.53
Aa	....	....	5.11	4.75	5.14	4.95	5.93	5.14	....	....	4.86	4.65	4.85	4.56	5.00	5.00
A	....	....	6.00	4.75	5.75	5.06	5.00	5.00	....	....	4.99	4.51	5.89	4.53	5.35	5.00
Baa	....	....	5.71	5.71	6.11	5.32	5.58	5.05	....	....	5.26	4.96	6.04	5.35	5.97	5.00
Ba	....	....	....	....	6.50	5.11	6.62	6.00	....	....	5.23	5.23	6.04	5.00	5.93	5.26
B	....	....	....	....	5.06	5.06	....	....	....	....	....	....	....	....	....	....
			Issues Offered in 1931													
Aaa	....	....	5.25	4.40	4.45	4.22	....	....								
Aa	....	....	4.67	4.59	4.78	4.23	4.68	4.68								
A	....	....	5.25	5.05	6.70	4.44	5.50	4.94								
Baa	....	....	4.80	4.80	6.00	5.46	6.13	5.07								
Ba	....	....	....	....	6.95	6.95	6.60	6.47								
B	....	....	....	....	....	....	....	....								

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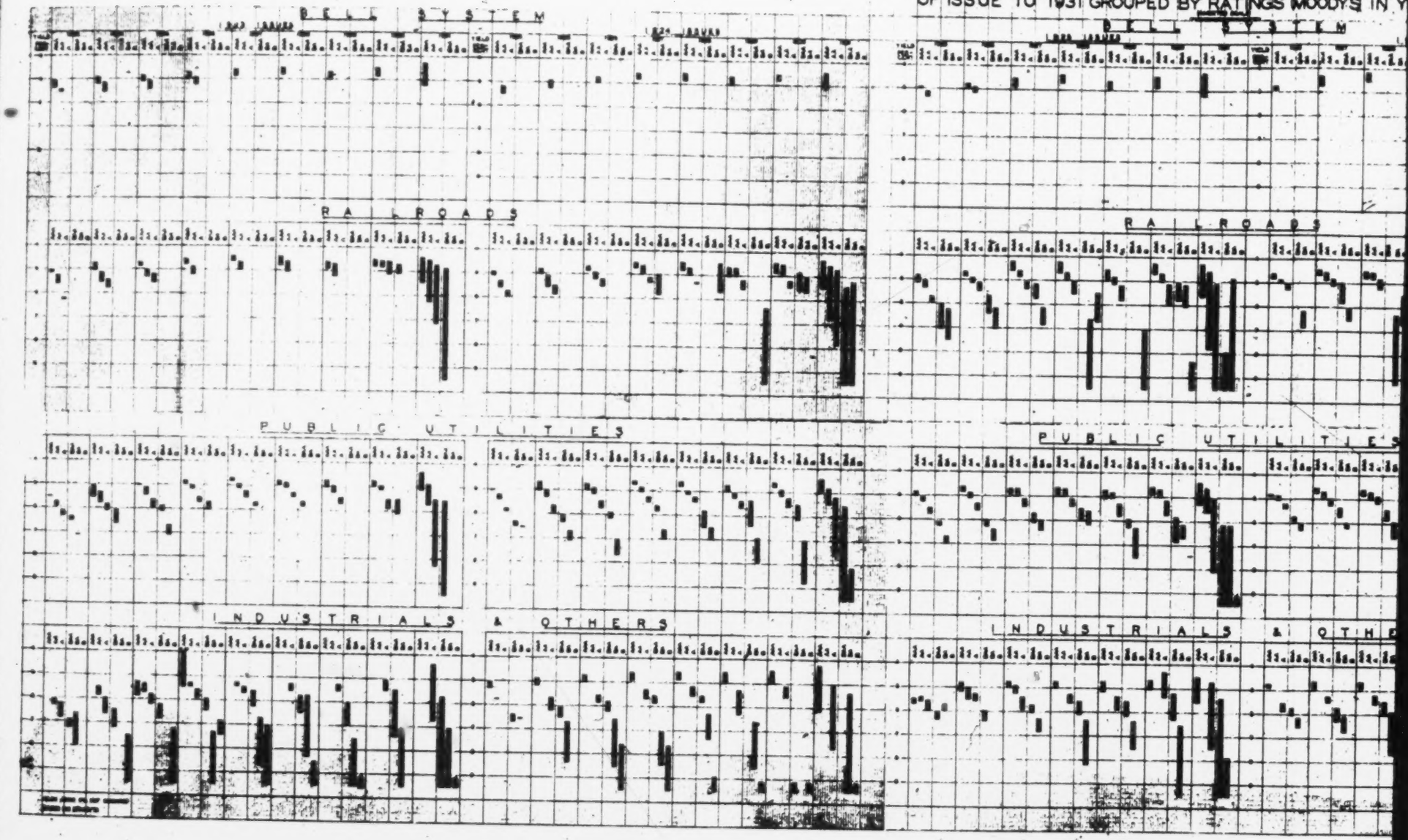
EXHIBIT X-248

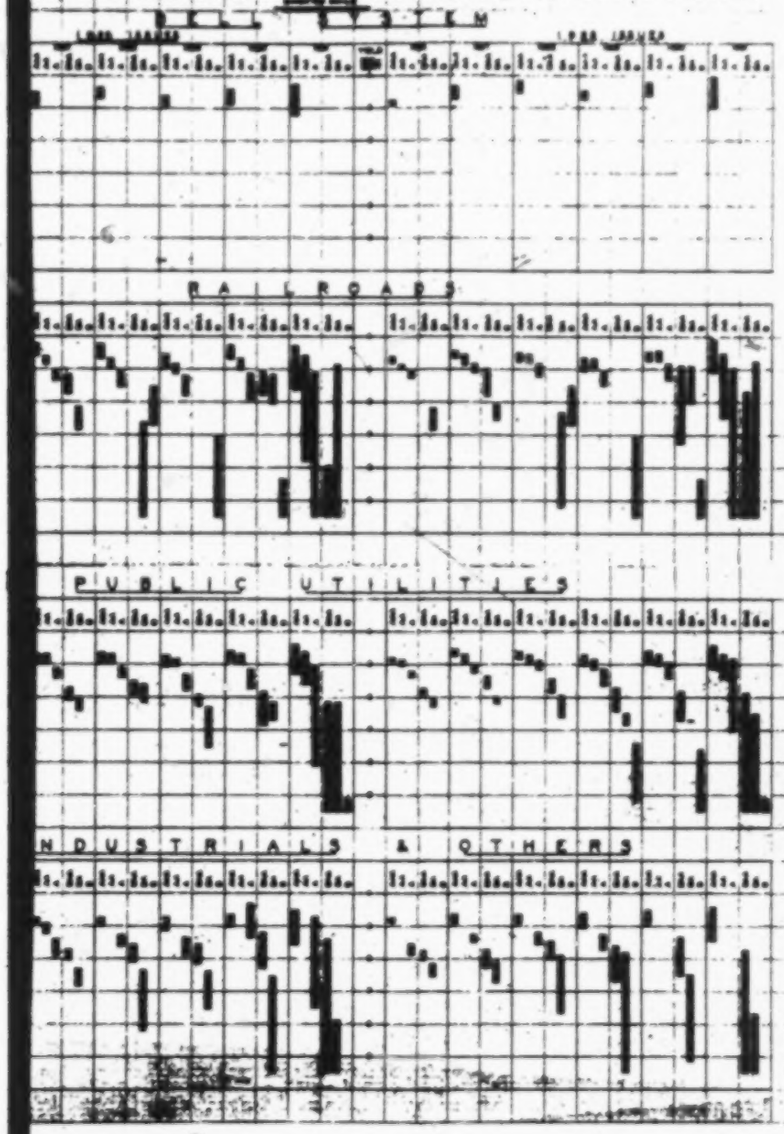
RANGE OF AVERAGES OF HIGH AND LOW BOND YIELDS ON RES
OF ISSUE TO 1931 GROUPED BY RATINGS MOODY'S IN Y

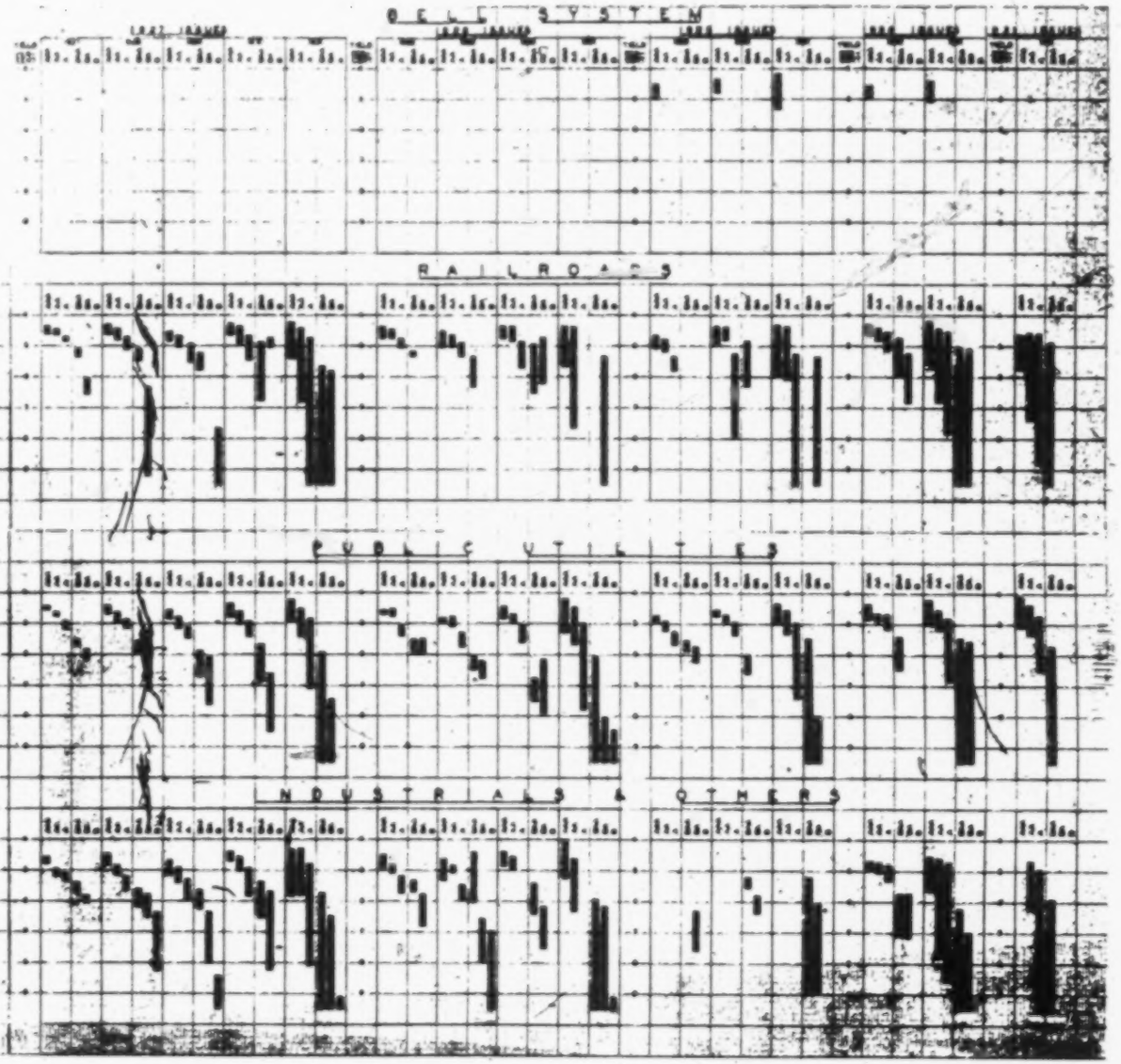


14418

EXHIBIT X-248

VERAGES OF HIGH AND LOW BOND YIELDS ON RESALE FROM DATE TO 1931 GROUPED BY RATINGS MOODY'S IN YEAR OF RESALE





14 418

EXHIBIT X-249

Range of Averages of High and Low Bond Yields on Resale Prices Grouped by Investment Rating (Moody's) In Year of Resale, 1923 to 1931, Inclusive

Showing an Average of the Highest Yields Established During the Year on All Issues in Each Class Compared with an Average of the Lowest Yields Established on All Issues in the Class

Bell System

Issues Offered In 1923

	Aaa		As		A		Baa		Ba		B	
	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.
1923	5.35	5.05	5.56	5.44								
1924	5.20	4.90	5.54	5.17								
1925	5.09	4.83	5.41	5.07								
1926	4.93	4.73	5.23	4.93								
1927			4.87	4.58								
1928			4.80	4.49								
1929			4.99	4.66								
1930			4.86	4.48								
1931			5.22	4.28								

Issues Offered In 1925

1925	4.99	4.91	5.35	5.12								
1926	4.97	4.75	5.15	4.91								
1927	4.88	4.50										
1928	4.69	4.36										
1929	4.92	4.58										
1930	4.88	4.39										
1931	5.21	4.26										

Issues Offered In 1927

None

Issues Offered In 1929

1929	5.01	4.51										
1930	4.78	4.39										
1931	5.31	4.17										

Issues Offered In 1931

None

Issues Offered In 1924

	Aaa		As		A		Baa		Ba		B	
	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.
1924			5.48	5.18								
1925			5.26	4.90								
1926			4.98	4.75								
1927	4.82	4.57										
1928	4.85	4.52										
1929	4.93	4.64										
1930	4.79	4.55										
1931	5.11	4.45										

Issues Offered In 1926

1926	4.91	4.75										
1927	4.76	4.36										
1928	4.53	4.16										
1929	4.74	4.47										
1930	4.61	4.20										
1931	4.97	4.01										

Issues Offered In 1928

None

Issues Offered In 1930

1930	4.90	4.56										
1931	5.09	4.40										

Railroads

Issues Offered In 1923

1923	5.14	5.04	5.62	5.25	6.27	6.23						
1924	5.07	4.73	5.55	5.14	5.77	5.45						
1925	4.86	4.69	5.31	5.02	5.55	5.19						
1926	4.77	4.57	5.18	4.86								
1927	4.63	4.40	4.99	4.65								
1928	4.77	4.39	5.07	4.62								
1929	4.91	4.62	5.22	4.70								
1930	4.80	4.49	4.83	4.55	5.12	4.58	5.09	4.69				
1931	5.47	4.39	6.27	4.51	7.16	4.71	12.74	4.83				

Issues Offered In 1925

1925	5.15	4.81	5.36	5.06	5.94	5.71	7.06	6.00	7.50	6.22		
1926	4.86	4.65	5.13	4.90	5.45	5.11	6.38	5.63	7.02	6.17		
1927	4.58	4.21	4.87	4.61	5.35	5.06	5.76	5.16	6.85	6.15		
1928	4.68	4.22	4.95	4.68	5.53	5.07			11.83	6.62	6.68	5.51
1929	4.9	4.54	5.15	4.84	5.80	5.18					10.62	6.99
1930	4.68	4.26	5.03	4.67	5.93	5.13	5.79	5.06	6.05	5.14	29.77	8.37
1931	5.63	4.28	7.80	4.56	10.33	5.09	16.62	7.93	16.37	4.86		

Issues Offered In 1927

1927	4.60	4.34	4.63	4.46	4.84	4.69	5.36	5.09	6.55	6.06		
1928	4.62	4.28	4.78	4.42	5.12	4.70	5.47	5.10	9.20	6.31		
1929	4.84	4.52	5.03	4.66	5.53	4.93	5.77	5.22			10.63	7.64
[illegible]	4.65	4.27	4.89	4.35	5.47	4.66	6.75	4.87	5.05	4.72	8.50	8.50

Issues Offered In 1924

1924	5.10	4.91	5.60	5.33	5.97	5.72						
1925	5.02	4.77	5.55	5.09	5.85	5.49						
1926	4.86	4.66	5.21	4.91	5.49	5.20						
1927	4.73	4.49	4.92	4.62	5.31	5.13	5.81	4.97				
1928	4.79	4.45	4.99	4.68	5.34	5.29					6.69	5.51
1929	5.03	4.64	5.01	4.65	5.55	5.18					10.54	6.35
1930	4.85	4.46	5.06	4.51	5.47	5.20	5.59	4.83	5.66	5.08	8.33	8.33
1931	5.48	4.32	6.79	4.55	7.83	4.70	11.22	5.41	27.72	5.21		

Issues Offered In 1926

1926	4.81	4.59	4.99	4.86	5.28	5.07			6.85	6.18		
1927	4.67	4.43	4.87	4.53	5.10	4.82	5.81	4.97	6.55	6.06		
1928	4.77	4.47	4.79	4.54	5.22	4.82			9.20	6.31	6.69	5.51
1929	5.06	4.64	5.02	4.67	5.50	5.04					10.55	7.00
1930	4.75	4.47	4.76	4.43	5.33	4.83	7.28	4.88	6.03	4.88	29.00	8.35
1931	5.08	4.08	6.48	4.52	10.16	4.95	15.00	5.66	17.95	4.75		

Issues Offered In 1928

1928	4.76	4.35	4.75	4.45	5.06	4.74	5.33	5.16				
1929	5.04	4.50	5.04	4.61	5.34	4.88	6.33	5.36				
1930	4.77	4.35	4.85	4.37	5.70	4.85	6.51	4.92	6.22	4.73		
1931	[illegible]								27.50	5.38		

1931			4.86	4.48																		
			5.22	4.28																		

Issues Offered In 1925

1925	4.99	4.91	5.35	5.12																		
1926	4.97	4.75	5.15	4.91																		
1927	4.88	4.50																				
1928	4.69	4.36																				
1929	4.92	4.58																				
1930	4.88	4.39																				
1931	5.21	4.26																				

Issues Offered In 1927

None

Issues Offered In 1929

1929	5.01	4.51																				
1930	4.78	4.39																				
1931	5.31	4.17																				

Issues Offered In 1931

None

Issues Offered In 1923

1923	5.14	5.04	5.62	5.25	6.27	6.23																
1924	5.07	4.73	5.55	5.14	5.77	5.45																
1925	4.86	4.69	5.31	5.02	5.55	5.19																
1926	4.77	4.57	5.18	4.86																		
1927	4.63	4.40	4.99	4.65																		
1928	4.77	4.39	5.07	4.62																		
1929	4.91	4.62	5.22	4.70																		
1930	4.80	4.49	4.83	4.55	5.12	4.58	5.09	4.69														
1931	5.47	4.39	6.27	4.51	7.16	4.71	12.74	4.83														

Issues Offered In 1925

1925	5.15	4.81	5.36	5.06	5.94	5.71	7.06	6.00	7.50	6.22												
1926	4.86	4.65	5.13	4.90	5.45	5.11	6.38	5.63	7.02	6.17												
1927	4.58	4.21	4.87	4.61	5.35	5.06	5.76	5.16	6.85	6.15												
1928	4.68	4.22	4.95	4.68	5.53	5.07			11.83	6.62	6.68	5.51										
1929	4.9	4.54	5.15	4.84	5.80	5.18					10.62	6.99										
1930	4.68	4.26	5.03	4.67	5.93	5.13	5.79	5.06	6.05	5.14	29.77	8.37										
1931	5.63	4.28	7.80	4.56	10.33	5.09	16.62	7.93	16.37	4.86												

Issues Offered In 1927

1927	4.60	4.34	4.63	4.46	4.84	4.69	5.36	5.09	6.55	6.06												
1928	4.62	4.28	4.78	4.42	5.12	4.70	5.47	5.10	9.20	6.31												
1929	4.84	4.52	5.03	4.66	5.53	4.93	5.77	5.22			10.63	7.64										
1930	4.65	4.27	4.89	4.35	5.47	4.66	6.75	4.87	5.05	4.72	8.50	8.50										
1931	5.40	4.22	6.80	4.41	10.47	4.73	14.17	5.64	17.93	5.80												

Issues Offered In 1929

1929	5.09	4.66	5.18	4.78	6.02	5.54																
1930	4.93	4.35	4.80	4.38	7.96	5.25	6.28	4.81														
1931	5.98	4.30	6.06	4.35	12.09	5.26			27.50	5.34												

Issues Offered In 1931

1931	5.77	4.63	7.39	4.57	8.81	4.56	11.26	4.89														

Issues Offered In 1923

1923	5.55	5.55	5.91	5.76	6.33	6.13	6.52	6.37	7.12	7.12												
1924	5.56	5.06	5.77	5.33	6.08	5.81	6.63	6.06														
1925	5.02	5.00	5.43	5.11	5.94	5.62	6.10	5.88	7.08	6.68												
1926	4.96	4.82	5.18	5.05	5.71	5.51	6.02	5.70														
1927	4.82	4.69	5.11	4.94	5.49	5.24	5.84	5.68														
1928	4.96	4.75	5.06	4.87	5.47	5.28	5.84	5.67														
1929	5.02	4.72	5.25	4.96	5.72	5.46																
1930	4.96	4.71	5.12	4.93	5.89	5.51	6.11	5.50														
1931	5.12	4.37	5.71	4.86	8.28	5.51	9.68	5.55														

1929	4.93	4.64																				
1930	4.79	4.55																				
1931	5.11	4.45																				

Issues Offered In 1926

1926	4.91	4.75																				
1927	4.76	4.36																				
1928	4.53	4.16																				
1929	4.74	4.47																				
1930	4.61	4.20																				
1931	4.97	4.01																				

Issues Offered In 1928

None

Issues Offered In 1930

1930	4.90	4.56																				
1931	5.09	4.40																				

Railroads

Issues Offered In 1924

1924	5.10	4.91	5.60	5.33	5.97	5.72																
1925	5.02	4.77	5.55	5.09	5.85	5.49																
1926	4.86	4.66	5.21	4.91	5.49	5.20																
1927	4.73	4.49	4.92	4.62	5.31	5.13	5.81	4.97														
1928	4.79	4.45	4.99	4.68	5.34	5.29																
1929	5.03	4.64	5.01	4.65	5.55	5.18															6.69	5.51
1930	4.85	4.46	5.06	4.51	5.47	5.20	5.59	4.83	5.66	5.08											10.54	6.35
1931	5.48	4.32	6.79	4.55	7.83	4.70	11.22	5.41	27.72	5.21											8.33	8.33

Issues Offered In 1926

1926	4.81	4.59	4.99	4.86	5.28	5.07			6.85	6.18												
1927	4.67	4.43	4.87	4.53	5.10	4.82	5.81	4.97	6.55	6.06												
1928	4.77	4.47	4.79	4.54	5.22	4.82			9.20	6.31	6.69	5.51										
1929	5.06	4.64	5.02	4.67	5.50	5.04					10.55	7.00										
1930	4.75	4.47	4.76	4.43	5.33	4.83	7.28	4.88	6.03	4.88	29.00	8.35										
1931	5.08	4.08	6.48	4.52	10.16	4.95	15.00	5.66	17.95	4.75												

Issues Offered In 1928

1928	4.76	4.35	4.75	4.45	5.06	4.74	5.33	5.16														
1929	5.04	4.50	5.04	4.61	5.34	4.88	6.33	5.36														
1930	4.77	4.35	4.85	4.37	5.70	4.85	6.51	4.92	6.22	4.73												
1931	5.66	4.31	7.67	4.36					27.50	5.36												

Issues Offered In 1930

1930	4.67	4.30	4.82	4.39	5.13	4.55	5.92	4.73	6.81	5.23												
1931	5.70	4.17	6.76	4.42	7.84	4.51	13.54	5.01	31.16	5.08												

Public Utilities

Issues Offered In 1924

1924	5.03	5.03	5.42	5.21	5.91	5.78	6.51	6.33	6.56	6.56												
1925	5.03	4.66	5.28	5.00	5.97	5.65	6.32	6.04	7.09	6.70												
1926	4.93	4.72	5.10	4.90	5.73	5.43	6.16	5.90	7.68	7.03												
1927	4.74	4.60	5.04	4.86	5.47	5.24	5.84	5.61	7.01	6.61												
1928	4.80	4.59	5.13	4.98	5.43	5.23	6.49	5.79	6.97	6.43												
1929	4.97	4.71	5.27	5.05	5.67	5.39	6.40	5.37	7.90	6.92												
1930	4.77	4.58	5.15	4.88	5.60	5.23	6.11	5.50	8.78	7.00												
1931	4.99	4.42	5.46	4.83	7.48	5.18	9.68	5.55	17.85	8.16												

EXHIBIT X-249—Continued

Range of Averages of High and Low Bond Yields on Resale Prices Grouped by Investment Rating (Moody's) In Year of Resale, 1923 to 1931, Inclusive

Showing an Average of the Highest Yields Established During the Year on All Issues in Each Class Compared with an Average of the Lowest Yields Established on All Issues in the Class

	Aaa		Aa		A		Baa		Ba		B	
	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.
Issues Offered In 1925												
1925	5.03	4.84	5.25	5.06	5.77	5.54	6.26	6.09	6.98	6.69	.....	.....
1926	4.83	4.61	5.09	4.88	5.60	5.32	6.27	5.98	6.84	6.39	.....	.....
1927	4.90	4.69	4.96	4.69	5.42	5.11	6.09	5.67	6.40	6.00	.....	.....
1928	4.91	4.65	4.93	4.69	5.40	5.11	6.00	5.50	6.15	5.61	.....	.....
1929	5.07	4.72	5.06	4.84	5.78	5.31	6.26	5.94	7.52	6.31	.....	.....
1930	4.88	4.59	4.99	4.68	5.72	5.14	6.84	5.83	6.68	6.15	7.46	7.46
1931	5.29	4.39	5.60	4.75	8.10	5.06	10.53	6.12	11.61	6.14	45.00	17.21
Issues Offered In 1927												
1927	4.56	4.43	4.75	4.63	5.14	4.91	5.73	5.49	6.19	5.82	.....	.....
1928	4.69	4.40	4.93	4.62	5.16	4.86	5.99	5.54	6.21	5.84	.....	.....
1929	4.85	4.54	5.14	4.78	5.47	5.11	6.71	5.88	7.62	6.05	.....	.....
1930	4.79	4.35	5.02	4.60	5.41	4.92	6.91	5.70	8.49	6.60	.....	.....
1931	4.96	4.21	5.42	4.50	7.09	4.84	10.44	5.91	16.52	7.43	.....	.....
Issues Offered In 1929												
1929	4.93	4.71	5.21	4.91	5.67	5.28	5.87	5.53	6.23	5.73	.....	.....
1930	4.75	4.53	4.96	4.69	5.36	4.93	6.60	5.98	.....	.....	.....	.....
1931	4.99	4.33	5.31	4.56	7.41	4.95	10.54	5.47	12.61	7.97	.....	.....
Issues Offered In 1931												
1931	5.09	4.09	5.35	4.36	6.51	4.72	10.26	5.72	.....	.....	.....	.....

Industrials

	Aaa		Aa		A		Baa		Ba		B	
	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.
Issues Offered In 1923												
1923	.....	.....	6.30	6.06	6.82	6.21	7.26	6.87	7.93	6.62	.....	.....
1924	.....	.....	5.86	5.48	6.63	5.98	7.19	6.46	11.68	7.51	.....	.....
1925	5.86	5.23	5.70	5.34	6.19	5.79	6.79	6.21	10.01	7.21	.....	.....
1926	5.46	2.89	5.44	5.28	5.88	5.56	6.43	5.93	11.55	7.30	7.43	6.86
1927	.....	.....	5.38	5.23	5.67	5.42	6.23	5.59	8.67	6.70	10.38	7.02
1928	.....	.....	.....	.....	5.56	5.27	6.46	5.74	8.27	5.73	10.64	8.50
1929	.....	.....	.....	.....	5.52	5.26	6.95	5.99	11.25	7.53	11.09	10.23
1930	.....	.....	.....	.....	5.48	5.08	7.41	5.46	9.58	7.08	17.45	17.45
1931	.....	.....	.....	.....	6.75	4.38	12.64	5.71	14.50	7.06	29.50	26.70
Issues Offered In 1925												
1925	5.70	5.49	5.59	5.42	5.97	5.55	6.35	6.05	6.00	5.71	.....	.....
1926	5.17	4.78	5.50	5.01	5.57	5.27	6.37	5.95	.....	.....	.....	.....
1927	4.95	4.74	5.23	4.89	5.88	5.39	5.97	5.71	6.83	6.28	.....	.....
1928	5.00	4.72	.....	.....	5.62	5.26	6.08	5.57	8.20	6.34	.....	.....
1929	5.12	4.71	.....	.....	5.87	5.33	6.14	5.53	7.52	6.37	.....	.....
1930	5.02	4.65	.....	.....	5.35	4.33	6.28	5.18	9.71	6.53	.....	.....
1931	5.57	4.51	.....	.....	7.50	4.72	11.32	5.40	21.13	7.88	.....	.....
Issues Offered In 1927												
1927	4.77	4.55	5.19	4.94	5.34	5.08	5.74	5.39	6.03	5.81	.....	.....
1928	4.81	1.47	5.15	4.83	5.64	5.19	6.17	5.59	6.52	5.77	8.26	6.34
1929	5.16	4.66	5.39	4.90	5.92	5.28	6.54	5.76	7.99	6.33	33.00	8.42
1930	4.70	4.38	5.02	4.57	5.82	4.93	6.54	5.39	8.05	5.66	7.49	7.49
1931	5.84	4.31	5.80	4.28	8.08	4.78	10.61	5.72	13.64	6.46	17.97	10.72
Issues Offered In 1929												
1929	.....	.....	.....	.....	.....	.....	.....	.....	7.58	6.29	.....	.....
1930	.....	.....	.....	.....	.....	.....	5.54	5.20	6.37	5.78	.....	.....
1931	.....	.....	.....	.....	.....	.....	8.92	5.19	8.93	6.0[illegible]	.....	.....
Issues Offered In 1931												
1931	.....	.....	6.27	4.67	9.83	4.94	9.72	5.90	.....	.....	.....	.....

	Aaa		Aa		A		Baa		Ba		B	
	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.
Issues Offered In 1926												
1926	4.88	4.81	5.05	4.87	5.39	5.21	5.93	5.74	6.28	6.01	.....	.....
1927	4.74	4.55	4.95	4.68	5.27	4.99	5.71	5.37	6.18	5.98	.....	.....
1928	4.84	4.60	4.98	4.71	5.16	4.88	5.85	5.45	6.60	5.94	.....	.....
1929	5.04	4.69	5.14	4.84	5.65	5.12	6.43	5.72	6.84	6.49	9.20	7.39
1930	4.90	4.57	5.03	4.69	5.41	4.95	6.71	5.82	6.73	6.70	10.49	7.60
1931	5.13	4.42	5.44	4.69	7.04	4.84	10.84	5.88	12.63	6.48	28.62	10.31
Issues Offered In 1928												
1928	4.70	4.57	4.76	4.53	5.40	5.07	5.89	5.50	5.97	5.48	.....	.....
1929	4.94	4.80	5.09	4.77	5.75	5.27	6.50	6.04	6.76	6.19	.....	.....
1930	4.84	4.44	4.97	4.68	5.61	5.03	7.49	6.74	7.89	6.14	.....	.....
1931	5.22	4.23	5.67	4.47	7.78	4.98	10.88	6.07	18.56	8.05	18.72	8.45
Issues Offered In 1930												
1930	4.83	4.34	4.90	4.66	5.16	4.68	6.46	5.40	.....	.....	.....	.....
1931	5.01	4.20	5.19	4.54	6.86	4.80	9.91	5.44	11.18	5.56	.....	.....

Industrials

	Aaa		Aa		A		Baa		Ba		B	
	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.
Issues Offered In 1924												
1924	5.29	5.04	.....	.....	5.77	5.77	6.69	6.39	6.55	6.55	.....	.....
1925	5.17	4.85	.....	.....	6.17	5.67	6.49	6.04	8.35	6.68	.....	.....
1926	4.99	4.71	.....	.....	5.84	5.56	6.21	5.80	8.52	6.55	9.69	7.62
1927	4.90	4.59	.....	.....	5.68	5.29	5.86	5.55	8.44	7.04	13.54	8.73
1928	4.86	4.56	.....	.....	5.53	5.16	5.79	5.54	7.33	6.30	13.10	8.87
1929	5.00	4.54	.....	.....	6.29	5.29	12.53	8.03	18.13	10.28	.....	.....
1930	4.90	4.47	.....	.....	5.57	5.11	24.18	17.07	22.10	11.70	.....	.....
1931	6.13	4.24	.....	.....	7.71	5.08	.....	.....	10.70	5.38	49.84	26.79
Issues Offered In 1926												
1926	4.86	4.75	.....	.....	5.86	5.53	6.02	5.74	6.55	6.16	.....	.....
1927	4.91	4.63	.....	.....	5.48	5.25	6.26	5.72	6.71	6.10	.....	.....
1928	4.88	4.64	.....	.....	5.56	5.19	6.03	5.49	7.67	5.88	.....	.....
1929	5.07	4.59	.....	.....	5.72	5.26	6.69	5.57	9.48	5.80	.....	.....
1930	4.90	4.51	.....	.....	.....	.....	6.53	5.32	9.14	6.49	.....	.....
1931	5.47	4.42	.....	.....	.....	.....	11.37	5.73	18.94	7.68	.....	.....
Issues Offered In 1928												
1928	4.88	4.48	5.08	4.80	5.72	5.17	5.69	5.31	6.80	5.77	.....	.....
1929	5.31	4.62	5.07	4.83	5.95	5.46	6.03	5.41	7.91	6.55	9.99	6.95
1930	4.86	4.38	5.00	4.55	.....	.....	6.41	5.40	7.52	6.17	9.37	9.37
1931	5.25	3.97	6.32	4.61	.....	.....	10.24	5.92	11.43	6.16	17.55	12.40
Issues Offered In 1930												
1930	4.92	4.66	5.06	4.71	5.31	4.79	7.11	5.72	7.16	5.69	.....	.....
1931	5.65	4.55	7.82	4.59	8.44	4.70	11.73	6.21	14.04	6.99	.....	.....

NOTE.—This statement includes all issues of $5,000,000 and over except convertibles and bonds issued with stock purchase warrants.

EXHIBIT I-250

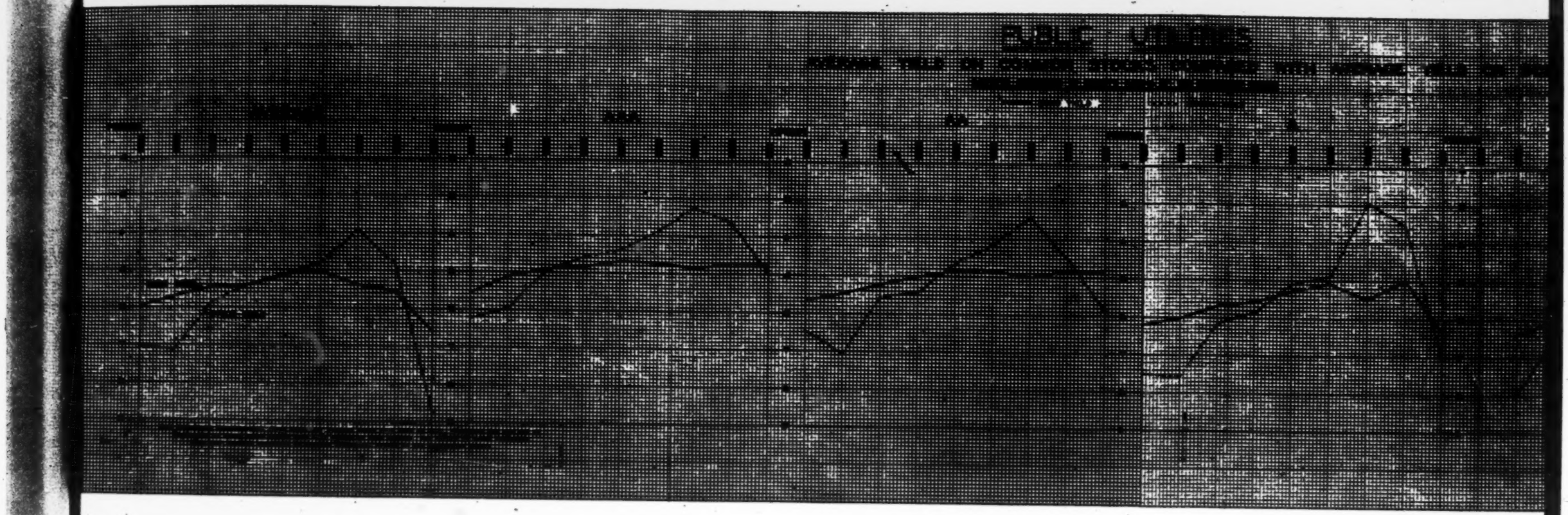
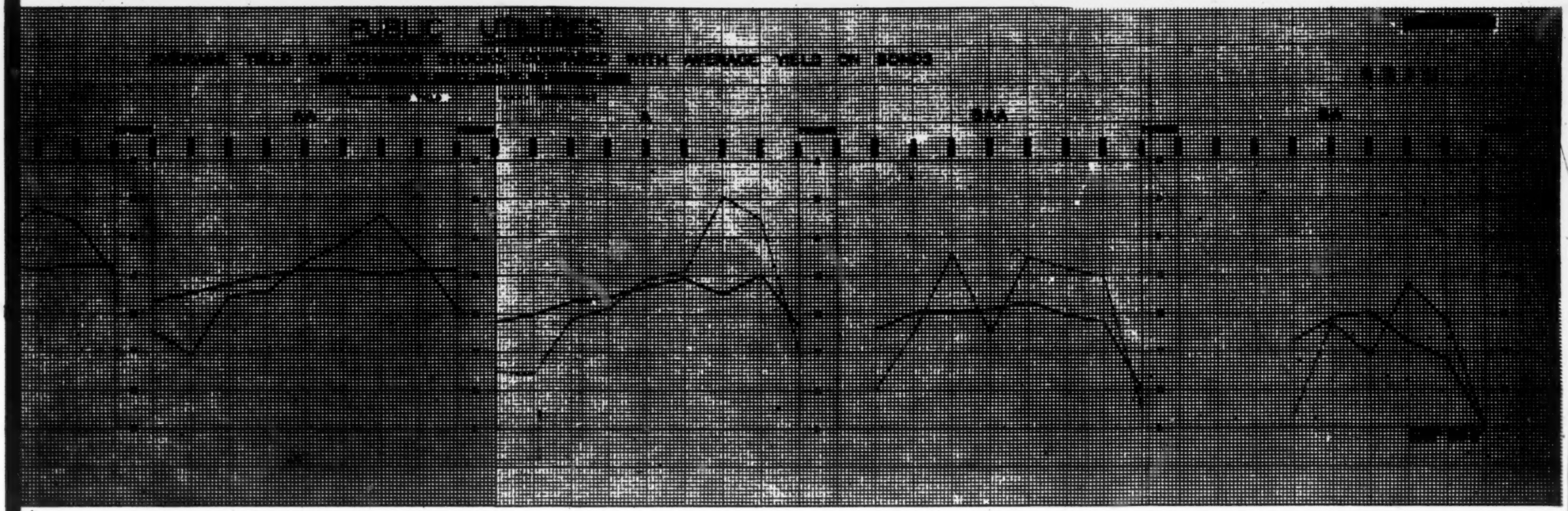


EXHIBIT I-250



14421

EXHIBIT X-251

Public Utilities

Average Yield on Common Stocks Compared with Average Yield on Bonds

This comparison includes only those companies issuing bonds from 1923 to 1931, inclusive (in amounts of $5,000,000 or over) whose stocks have been traded in open market. The stocks of these companies have been grouped according to the investment rating of the companies' bonds.

		Stocks				Bonds				
Year	Rating	Number of Issues	Average Yield on High Price	Average Yield on Low Price	Average Yield	Number of Issues	Average Yield on High Price	Average Yield on Low Price	Average Yield	Excess of Average Stock Yield Over Average Bond Yield*
1923	Aaa	1	6.11	6.35	6.23	1	5.55	5.55	5.55	.68
	Aa	1	6.25	6.67	6.46	1	5.52	5.82	5.67	.79
	A	3	6.95	8.05	7.50	3	6.02	6.39	6.20	1.30
	Total	5	6.64	7.43	7.04	5	5.82	6.11	5.97	1.07
1924	Aaa	2	5.43	6.79	5.96	3	5.04	5.20	5.12	.84
	Aa	5	6.44	7.68	7.06	8	5.31	5.60	5.46	1.60
	A	4	7.09	8.03	7.56	9	5.96	6.07	6.02	1.54
	Baa	1	5.72	10.23	7.98	1	6.26	6.54	6.40	1.58
	Total	12	6.38	7.86	7.12	21	5.60	5.79	5.70	1.42
1925	Aaa	2	4.57	5.33	4.96	3	4.77	5.02	4.90	.06
	Aa	7	4.84	6.23	5.54	13	5.10	5.34	5.22	.32
	A	10	5.10	7.18	6.14	14	5.55	5.82	5.69	.45
	Baa	3	5.31	7.65	6.48	3	5.93	6.06	5.99	.49
	Total	22	5.00	6.77	5.89	33	5.34	5.58	5.46	.43

14422

9140

EXHIBIT X-251—Continued

Year	Rating	Stocks: Number of Issues	Stocks: Average Yield on High Price	Stocks: Average Yield on Low Price	Stocks: Average Yield	Bonds: Number of Issues	Bonds: Average Yield on High Price	Bonds: Average Yield on Low Price	Bonds: Average Yield	Excess of Average Stock Yield Over Average Bond Yield*
1926	Aaa	2	4.41	4.75	4.58	5	4.77	4.91	4.84	− .26
	Aa	9	4.95	5.91	5.43	17	4.92	5.13	5.02	.41
	A	9	5.32	6.38	5.85	18	5.46	5.70	5.58	.27
	Baa	6	3.08	5.79	4.44	9	5.81	6.07	5.94	−1.50
	Ba	1	6.66	10.58	8.62	1	6.64	6.82	6.73	1.89
	Total	27	4.68	6.13	5.41	50	5.29	5.52	5.41	....
1927	Aaa	4	3.72	5.01	4.38	8	4.60	4.77	4.69	− .31
	Aa	8	4.03	5.28	4.65	20	4.76	4.93	4.84	− .19
	A	15	4.46	5.74	5.10	29	5.14	5.44	5.29	− .19
	Baa	4	5.54	7.49	6.52	4	5.70	6.10	5.90	.62
	Ba	2	5.03	7.48	6.25	1	5.95	6.30	6.12	.13
	Total	33	4.43	5.86	5.14	62	5.00	5.25	5.12	.02
1928	Aaa	8	3.23	4.52	3.87	18	4.59	4.83	4.71	− .84
	Aa	6	3.47	4.81	4.14	13	4.72	4.94	4.83	− .69
	A	15	4.24	5.53	4.89	25	4.93	5.23	5.08	− .19
	Baa	5	3.98	5.03	4.51	8	5.53	5.86	5.70	−1.19
	Ba	5	4.95	9.29	7.12	5	5.77	6.22	5.99	1.13
	Total	39	3.97	5.63	4.80	69	4.91	5.18	5.04	− .24

EXHIBIT X-251 (CONTINUED)

1929	Aaa	8	2.13	4.37	3.25	18	4.70	5.00	4.85	−1.60
	Aa	9	2.44	4.40	3.42	19	4.85	5.15	5.00	−1.58
	A	6	2.39	3.45	2.92	16	5.12	5.87	5.50	−2.57
	Baa	7	3.04	6.57	4.81	9	5.82	6.23	6.05	−1.24
	Ba	7	2.88	7.62	5.25	7	6.35	7.11	6.73	−1.48
	Total	37	2.56	5.26	3.91	69	5.15	5.62	5.39	−1.48
1930	Aaa	4	2.42	4.82	3.62	9	4.54	4.88	4.71	−1.09
	Aa	8	3.16	5.78	4.47	25	4.68	4.97	4.82	− .35
	A	6	2.56	4.44	3.51	10	4.81	5.13	4.97	−1.46
	Baa	14	3.52	6.51	5.02	21	5.60	6.79	6.20	−1.18
	Ba	10	3.57	8.73	6.15	11	6.14	8.25	7.20	−1.05
	Total	42	3.22	6.45	4.84	76	5.15	5.96	5.55	− .71
1931	Aaa	5	3.19	6.74	4.97	14	4.34	5.08	4.71	.26
	Aa	8	4.36	7.36	5.86	27	4.48	5.30	4.89	.97
	A	10	3.54	10.35	6.95	16	4.93	7.70	6.31	.64
	Baa	16	4.21	12.71	8.46	26	5.74	10.30	8.02	.44
	Ba	11	4.38	24.34	14.36	13	6.42	13.55	10.01	4.35
	Total	50	4.04	13.34	8.69	96	5.10	8.09	6.59	2.10

* Minus signs preceding figures given in this column indicates excess of average bond yields over average stock yields.

14424 = 14435

9141A

EXHIBIT X-258

verage Yield on Bonds Issued by Illinois Public Utilities (Other Than Bell System) Compared with Average Yield on all Public Utility Bond Issues (Other Than Bell System) in United States During Years 1921 to 1931, Inclusive

Yield is based on offering price of all bonds, notes and debentures, (except issues of Bell System) in amounts of $5,000,000 and over, maturing 3 years or more from date of issue.

ar	Illinois Public Utility Issues (Authorized by Illinois Commerce Commission) Average Yield	All Public Utility Issues in U. S. (As above noted) Average Yield	Average Yield on All Issues in Excess of Average Yield On Illinois Issues Excess
21....	6.75	7.02	.27
22....	6.00	6.18	.18
23....	5.81	6.04	.23
24....	5.78	5.96	.18
25....	5.56	5.68	.12
26....	5.33	5.54	.21
27....	5.01	5.18	.17
28....	4.88	5.13	.25
29....	5.39	5.44	.05
30....	4.85	5.22	.37
31....	4.38	4.61	.23
'ge, 1921-1931	5.00	5.31	.31

EXHIBIT X-259

American Telephone and Telegraph Company Common Stock

High and Low Selling Prices and Yields 1901-1919

ar	Price	Dividend rate %	Yield	Average Yield
1—H	167¾	7½	4.47	4.61½
L	157½		4.76	
2—H	186	7½	4.03	4.34½
L	160¾		4.66	
3—H	169	7½	4.44	5.41½
L	117¼		6.39	
4—H	149½	7½	5.02	5.60½
L	121		6.19	
5—H	148½	7½	5.05	5.38½
L	131		5.72	
6—H	144⅝	7¾	5.36	5.66
L	130		5.96	
7—H	133	8	6.01	7.55
L	88		9.09	
8—H	132¾	8	6.03	6.97½
L	101		7.92	
9—H	145½	8	5.51	5.95½
L	125		6.40	
0—H	148⅝	8	5.58	5.94½
L	126⅝		6.31	
1—H	153⅛	8	5.22	5.65
L	131½		6.08	

Years	Price	Dividend rate %	Yield	Average Yield
1912—H	149⅛	8	5.36	5.58⅛
L	137⅝		5.81	
1913—H	130	8	5.15	6.71
L	110		7.27	
1914—H	124¼	8	6.44	6.73
L	114		7.02	
1915—H	130¼	8	6.14	6.51⅛
L	116		6.89	
1916—H	134½	8	5.95	6.22½
L	123⅛		6.50	
1917—H	128½	8	6.22	7.28⅛
L	95⅝		8.35	
1918—H	109¼	8	7.32	8.07
L	90⅝		8.82	
1919—H	108⅝	8	7.36	7.89
L	95		8.42	

American Telephone and Telegraph Company Common Stock

High and Low Selling Prices and Yields, 1920-1931

Years	Price	Dividend rate %	Yield	Average Yield
1920—H	100⅝	8	7.97	8.32⅛
L	92⅛		8.68	
1921—H	119½	8½	7.11	7.99⅛
L	95⅝		8.88	
1922—H	128¼	9	7.02	7.44
L	114½		7.86	
1923—H	128⅝	9	6.99	7.27½
L	119⅛		7.56	
1924—H	134⅝	9	6.68	7.05⅛
L	121⅛		7.43	
1925—H	145	9	6.20	6.54½
L	130⅛		6.89	
1926—H	151	9	5.96	6.20
L	139⅝		6.44	
1927—H	185½	9	4.85	5.44
L	149¼		6.03	
1928—H	211	9	4.26	4.74½
L	172		5.23	
1929—H	310¼	9	2.90	3.78
L	193¼		4.66	
1930—H	274¼	9	3.28	4.28
L	170⅝		5.28	
1931—H	201⅝	9	4.46	6.24½
L	112⅛		8.03	

EXHIBIT X-260

Yields and Average Yields on High and Low Market Prices of Common Stocks of Bell System Companies Sold on Exchanges During Years 1921-1931, Inclusive

	Cincinnati & Suburban B. T. Co.*				Mountain States T. & T. Co.				Pacific Tel. & Tel. Co.				New England Tel. & Tel. Co.				Southern New England Tel. Co.			
	Dividend Rate %	High Low	Yield	Average Yield	Dividend Rate %	High Low	Yield	Average Yield	Dividend Rate %	High Low	Yield	Average Yield	Dividend Rate %	High Low	Yield	Average Yield	Dividend Rate %	High Low	Yield	Average Yield
1921	8	70½	5.67	6.19½	7	96 bid	7.29	7.29	0	58	0	0	8	112¾	7.09	7.73½	8	112	7.14	7.63
		59½	6.72							38¼				95½	8.38			98½	8.12	
1922	8	75	5.33	5.86½	7	103	6.80	6.80	0	68	0	0	8	125	6.40	6.88½	8	129½	6.18	6.51
		62½	6.40							55				108½	7.37			117	6.84	
1923	8	75	5.33	5.63	7	104 bid	6.73	6.73	0	95	0	0	8	122	6.56	6.91½	8	132½	6.04	6.22
		67½	5.93							67				110	7.27			125	6.40	
1924	8	83	4.82	5.22½	7	108 bid	6.48	6.48	0	95½	0	0	8	115½	6.93	7.54½	8	141	5.67	6.02
		71	5.63							85				98	8.16			125½	6.37	
1925	8	94	4.25	4.75	7	110½	6.33	6.33	6	118	5.08	5.73	6	122½	4.90	5.48	8	147½	5.42	5.62
		76½	5.25			bid				94	6.38			99	6.06			137½	5.82	
1926	8	93	4.30	4.62	7¼	133	5.45	5.96	7	135	5.18	5.60½	8	118¼	6.74	6.99	8	157	5.10	5.31
		81	4.94			112	6.47			116	6.03			110¾	7.24			145	5.52	
1927	9	117½	3.83	4.41	8	155	5.16	5.50	7	162	4.32	4.98	8	140	5.71	6.32	8	174½	4.58	4.91
		90¼	4.99			137	5.84			124	5.64			115¾	6.93			152¾	5.24	
1928	9	128	3.52	4.00½	8	161	4.97	5.11½	7	169	4.14	4.48½	8	152¾	5.25	5.52½	8	175	4.57	4.78½
		100¼	4.49			152	5.26			145	4.83			138	5.80			160	5.00	
1929	9	130	3.46	3.88	8	165	4.85	4.92½	7	220	3.18	4.26	8	175	4.57	5.25	8	170¼	4.69	4.70
		104¾	4.30			160	5.00			131	5.34			135	5.93			170	4.71	
1930	9	119	3.78	4.36	8	149½	5.35	5.61½	7	178	3.93	5.02	8	160⅞	4.97	5.64½	8	175¼	4.56	4.78
		91	4.94			136	5.88			114½	6.11			126½	6.32			160	5.00	
1931	9	103½	4.35	5.86½	8	149¼	5.36	6.31½	7	131¾	5.31	6.41	8	143	5.59	7.00½	8	177¼	4.51	5.78
		61	7.38			110	7.27			93¼	7.51			95	8.42			113¼	7.05	

* Par Value—$50.00.

[fol. 4855]

EXTRACTS FROM EXHIBIT X-261

Summary of Sales of Bell System Bond Issues in Amounts of $5,000,000 and Over During Years 1921 to 1931, Inclusive Showing Cost of Money to Companies as Per Records of Interstate Commerce Commission and Yield to Public

Year	Amount Offered (1)	Proceeds to Company (2)	Annual Cost to Company (3)	Average Cost to Company (Per cent) (4)	Proceeds on Basis of Price to Public (5)	Annual Cost on Basis of Price to Public (6)	Average Yield to Public (Per cent) (7)	Spread Between Average Cost to Company and Average Yield to Public (Per cent) (8)
1921	$80,000,000	$73,983,000	$5,245,016	7.09	$77,450,000	$5,165,880	6.67	0.42
1922	60,000,000	55,825,000	3,054,678	5.47	57,625,000	3,032,200	5.26	.21
1923	185,000,000	174,175,000	9,962,978	5.72	180,600,000	9,836,111	5.45	.27
1924	50,000,000	45,000,000	2,565,000	5.70	46,750,000	2,543,200	5.44	.26
1925	175,000,000	162,875,000	8,864,963	5.44	168,750,000	8,817,500	5.23	.21
1926	40,000,000	36,600,000	1,837,320	5.02	37,800,000	1,825,740	4.83	.19
1927	.....	.....	.....	...	.....	.....	....	...
1928	.....	.....	.....	...	.....	.....	....	...
1929	32,000,000	31,120,000	1,658,696	5.33	32,000,000	1,600,000	5.00	.33
1930	160,000,000	154,750,000	8,055,950	5.21	159,500,000	8,005,425	5.02	.19
1931	.....	.....	.....	...	.....	.....	....	...
1921-1931 inc.	782,000,000	734,328,000	41,244,601	5.62	760,475,000	40,826,056	5.37	.25
1923-1931 inc.	642,000,000	604,520,000	32,944,907	5.44	625,400,000	32,627,976	5.22	.22

EXTRACTS FROM EXHIBIT X-261—Continued

Summary of Sales of Railroad Bond Issues in Amounts of $5,000,000 and Over During Years 1921 to 1931, Inclusive
Showing Cost of Money to Companies as Per Records of Interstate Commerce Commission, and Yield to Public

Year	Amount Offered (1)	Proceeds to Company (2)	Annual Cost to Company (3)	Average Cost to Company (Per cent) (4)	Proceeds on Basis of Price to Public (5)	Annual Cost on Basis of Price to Public (6)	Average Yield to Public (Per cent) (7)	Spread Between Average Cost to Company and Average Yield to Public (Per cent) (8)
1921.....	$334,655,000	$309,712,100	$22,570,899	7.29	$324,984,250	$22,014,178	6.77	.52
1922.....	280,811,300	259,889,845	15,394,305	5.92	269,846,809	15,291,300	5.67	.25
1923.....	132,697,000	124,190,929	6,827,332	5.50	127,922,530	6,808,724	5.32	.18
1924.....	400,196,000	376,427,085	21,138,555	5.62	388,975,240	20,959,285	5.39	.23
1925.....	281,828,500	265,149,447	14,885,624	5.61	273,401,425	14,720,550	5.38	.23
1926.....	182,288,000	172,438,820	9,078,569	5.26	177,205,520	9,033,970	5.10	.16
1927.....	474,489,000	445,760,136	22,620,469	5.07	457,888,161	22,534,896	4.92	.15
1928.....	338,925,000	323,447,373	15,258,504	4.72	331,336,083	15,227,797	4.60	.12
1929.....	202,505,000	193,538,865	10,206,783	5.27	198,636,490	10,086,391	5.08	.19
1930.....	657,889,000	621,662,503	30,526,955	4.90	637,683,935	30,389,379	4.77	.14
1931.....	315,927,000	301,381,550	14,705,804	4.88	308,878,448	14,629,416	4.74	.14
1921-1931 inc.	3,602,210,800	3,393,608,653	183,213,799	5.40	3,496,758,891	181,695,886	5.20	.20
1923-1931 inc.	2,986,744,500	2,824,006,708	145,248,595	5.14	2,901,927,832	144,390,408	4.97	.17

NOTE: In cases where bonds were issued without public offering (account issued for exchange under reorganization plan, placed privately or otherwise disposed of without public offering) the amount of the issues are not included in the above statement. There are included only issues on which the cost to company and yield on offering price can be compared.

Summary of Sales of Public Utility Bond Issues (Other Than Bell System) in Amounts of $5,000,000 and Over During Years 1921 to 1931, Inclusive, Showing Cost of Money to Companies as Per Records of State Public Service Commissions, and Yield to Public

Year	Amount Offered (1)	Proceeds to Company (2)	Annual Cost to Company (3)	Average Cost to Company (Per cent) (4)	Proceeds on Basis of Price to Public (5)	Annual Cost on Basis of Price to Public (6)	Average Yield to Public (Per cent) (7)	Spread Between Average Cost to Company and Average Yield to Public (Per cent) (8)
1921.....	$91,840,000	$84,612,400	$6,046,443	7.14	$82,367,500	$5,469,239	6.64	.50
1922.....	106,711,000	98,857,590	6,174,579	6.25	103,229,920	6,109,217	5.92	.33
1923.....	115,908,000	107,576,448	6,487,359	6.03	109,580,300	6,266,851	5.72	.31
1924.....	170,000,000	158,448,000	9,795,679	6.18	166,967,500	9,643,419	5.78	.40
1925.....	131,300,000	125,597,000	7,059,068	5.62	130,497,000	6,913,167	5.30	.32
1926.....	184,250,000	172,451,801	9,520,771	5.52	180,437,500	9,380,982	5.20	.32
1927.....	334,648,000	315,014,233	16,118,251	5.12	325,905,435	15,929,631	4.89	.23
1928.....	140,472,000	121,170,409	5,997,951	4.95	135,182,535	6,366,338	4.71	.24
1929.....	30,500,000	28,860,000	1,525,421	5.29	29,925,000	1,509,008	5.04	.25
1930.....	121,000,000	113,701,291	5,736,179	5.04	117,555,000	5,679,028	4.83	.21
1931.....	327,500,000	308,213,027	14,272,337	4.63	318,147,500	14,149,760	4.45	.18
Average Years 1921 to 1931, Inclusive...	1,754,129,000	1,634,502,199	88,734,038	5.43	1,699,795,190	87,416,640	5.14	.29
Average Years 1923 to 1931, Inclusive...	1,555,578,000	1,451,032,209	76,513,016	5.27	1,514,197,770	75,838,184	5.01	.26

NOTE: In cases where bonds were issued without public offering (account issued for exchange under reorganization plan, placed privately or otherwise disposed of without public offering) the amount of the issues are not included in the above statement. There are included only issues on which the cost to company and yield on offering price can be compared.

14441 = 14542

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EXTRACTS FROM EXHIBIT X-262

Sales During the Year 1923 of Long-term Bonds for $5,000,000 or Over of Bell System Companies, Investment Rating (Moody's) and Yields from Date of Issue to December 31, 1931

Name of Company; Type of Issue; House of Issue	Amount Offered	Rate %	Original Public Offering Price	Original Public Offering Yield	1923 Rating, Average Yield	1924 Rating, Average Yield	1925 Rating, Average Yield	1926 Rating, Average Yield	1927 Rating, Average Yield	1928 Rating, Average Yield	1929 Rating, Average Yield	1930 Rating, Average Yield	1931 Rating, Average Yield
January:													
Bell Tel. Co. of Pa., 1st and Ref. Mtge. 5s, "B", 1948, J. P. Morgan & Co	$35,000,000	5	98½	5.11	Aaa 5.20	Aaa 5.05	Aaa 4.88	Aaa 4.83	Aaa 4.64½	Aaa 4.48½	Aaa 4.69	Aaa 4.58	Aaa 4.54
June:													
Illinois Bell Tlephone Co., 1st & Ref. Mtge. 5s, "A" 1956, J. P. Morgan & Co	50,000,000	5	95¼	5.31	Aa 5.36½	Aa 5.27	Aaa 5.04	Aaa 4.85½	Aaa 4.72	Aaa 4.70½	Aaa 4.80½	Aaa 4.67½	Aaa 4.76½
November:													
American Tel. & Tel. Co., Deb. 5½s, 1943, J. P. Morgan & Co	100,000,000	5½	98½	5.63	Aa 5.64	Aa 5.44	Aa 5.24	Aa 5.08	Aaa 4.81½	Aaa 4.75	Aaa 4.97	Aaa 4.76	Aaa 4.95

The "average yield" shown on this exhibit is the arithmetical average of the yields computed on the basis as testified to by Witness Hammond on the high market quotation for the year and the low market quotation for the year.

Sales During the Year 1924 of Long Term Bonds for $5,000,000 or Over, of Bell System Companies, Investment Rating (Moody's) and Yields from Date of Issue to December 31, 1931

Name of Company; Type of Issue; House of Issue	Amount Offered	Rate %	Original Public Offering Price	Original Public Offering Yield	1924 Rating, Average Yield	1925 Rating, Average Yield	1926 Rating, Average Yield	1927 Rating, Average Yield	1928 Rating, Average Yield	1929 Rating, Average Yield	1930 Rating, Average Yield	1931 Rating, Average Yield
January:												
Southwestern Bell Telephone Co., 1st & Ref. M. 5s "A" 1954, J. P. Morgan & Co	$50,000,000	5	93½	5.44	Aa 5.33	Aa 5.08	Aa 4.86½	Aaa 4.69½	Aaa 4.68½	Aaa 4.78½	Aaa 4.67	Aaa 4.78

The "average yield" shown on this exhibit is the arithmetical average of the yields computed on the basis as testified to by Witness Hammond on the high market quotation for the year and the low market quotation for the year.

Sales During the Year 1925, of Long Term Bonds for $5,000,000 or Over, of Bell System Companies, Investment Rating (Moody's) and Yields From Date of Issue to December 31, 1931

Name of Company; Type of Issue; House of Issue	Amount Offered	Rate %	Original Public Offering Price	Original Public Offering Yield	1925 Rating, Average Yield	1926 Rating, Average Yield	1927 Rating, Average Yield	1928 Rating, Average Yield	1929 Rating, Average Yield	1930 Rating, Average Yield	1931 Rating, Average Yield
January:											
American Telephone & Telegraph Co., 35 yr. deb. 5s, 1960, J. P. Morgan & Co	$125,000,000	5	95	5.32	As 5.23½	As 5.03	Aaa 4.76½	Aaa 4.63½	Aaa 4.83½	Aaa 4.76	Aaa 4.90
September:											
(The) Bell Telephone Co. of Pa., 1st & Ref. M. 5s, "C" 1960, J. P. Morgan & Co	50,000,000	5	100	5.00	Aaa 4.95	Aaa 4.86	Aaa 4.62	Aaa 4.41½	Aaa 4.67	Aaa 4.51	Aaa 4.56½

The "average yield" shown on this exhibit is the arithmetical average of the yields computed on the basis as testified to by Witness Hammond on the high market quotation for the year and the low market quotation for the year.

Sales During the Year 1926 of Long Term Bonds for $5,000,000 or Over, of Bell System Companies, Investment Rating (Moody's) and Yields from Date of Issue to December 31, 1931

Name of Company; Type of Issue; House of Issue	Amount Offered	Rate %	Original Public Offering Price	Original Public Offering Yield	1926 Rating, Average Yield	1927 Rating, Average Yield	1928 Rating, Average Yield	1929 Rating, Average Yield	1930 Rating, Average Yield	1931 Rating, Average Yield
May:										
New England Tel. & Tel. Co., 1st M. 4½s "B" 1961, J. P. Morgan & Co	$40,000,000	4½	94½	4.83	Aaa 4.83	Aaa 4.56	Aaa 4.34½	Aaa 4.60½	Aaa 4.40½	Aaa 4.49

The "average yield" shown on this exhibit is the arithmetical average of the yields computed on the basis as testified to by Witness Hammond on the high market quotation for the year and the low market quotation for the year.

EXHIBIT X-262 (CONTINUED)

Sales During the Year 1929 of Long-term Bonds for $5,000,000 or Over of Bell System Companies, Investment Rating (Moody's) and Yields from Date of Issue to December 31, 1931

Name of Company; Type of Issue; House of Issue	Amount Offered	Rate %	Original Public Offering		1929 Rating, Average Yield		1930 Rating, Average Yield		1931 Rating, Average Yield*	
			Price	Yield						
May:										
American Telephone & Telegraph Conv. deb. 4½s, 1939, Co. to stockholders	$219,000,000	4½	100	4.50	Aaa	....	Aaa	....	Aaa	....
October:										
Southern Bell Telephone & Telegraph Co., 1st M. 5s, Jan. 1, 1941, J. P. Morgan & Co	32,000,000	5	100	5.00	Aaa	4.76	Aaa	4.58½	Aaa	4.74

The "average yield" shown on this exhibit is the arithmetical average of the yields computed on the basis as testified to by Witness Hammond on the high market quotation for the year and the low market quotation for the year.

Sales During the Year 1930 of Long-term Bonds for $5,000,000 or Over, of Bell System Companies, Investment Rating (Moody's), and Yields from Date of Issue to December 31, 1931.

Name of Company; Type of Issue; House of Issue	Amount Offered	Rate %	Original Public Offering		1930 Rating: Average Yield		1931 Rating: Average Yield	
			Price	Yield				
January:								
American Telephone & Telegraph Co., Deb. 5s, 1965, J. P. Morgan & Co	$150,000,000		99½	5.03	Aaa	4.76½	Aaa	4.89½
May:								
Southern New England Telephone Co., Deb. 5s, 1970, Chas. W. Scranton & Co	10,000,000	5	102½	4.86	Aaa	4.68½	Aaa	4.60

The "average yield" shown on this exhibit is the arithmetical average of the yields computed on the basis as testified to by Witness Hammond on the high market quotation for the year and the low market quotation for the year.

American Telephone & Telegraph Company

Return on Investment (As Recorded on Company's Books) in Capital Stock of Western Electric Company, Inc.

Years 1916 to 1931, Inclusive

Year	Type	Average Yearly investment	Dividends received	Dividend yield %	Dividend yield converted to average return to A. T. & T. Co. stockholders on their investment (par value) in capital stock of A. T. & T. Co. (%)
1916	Common	$6,729,710	$1,168,400	17.36	.....
	Preferred	14,605,000	876,300	6.00	.....
	Total	21,334,710	2,044,700	9.58	.....
1917	Common	6,729,710	1,168,400	17.56	.....
	Preferred	23,489,519	1,315,491	5.60	.....
	Total	30,219,229	2,483,891	8.22	.....
1918	Common	6,869,907	1,467,550	21.36	.....
	Preferred	29,244,700	1,754,682	6.00	.....
	Total	36,114,607	3,222,232	8.92	.....
1919	Common	6,901,870	1,468,000	21.27	.....
	Preferred	29,255,563	1,755,347	6.00	.....
	Total	36,157,433	3,223,347	8.91	.....
1920	Common	33,783,796	2,943,095	8.71	13.22
	Preferred	5,052,081	3,273,534 (a)	64.80(b)	125.89
	Total	38,835,877	6,216,629	16.01	27.88

9151

EXHIBIT X-294—Continued

American Telephone & Telegraph Company

Return on Investment (As Recorded on Company's Books) in Capital Stock of Western Electric Company, Inc.

Years 1916 to 1961, Inclusive

Year	Type	Average Yearly investment	Dividends received	Dividend yield %	Dividend yield converted to average return to A. T. & T. Co. stockholders on their investment (par value) in capital stock of A. T. & T. Co. (%)
1921	Common	39,395,442	3,434,908	8.72	12.74
1922	Common	39,474,893	3,437,625	8.71	12.03
1923	Common	54,233,586	4,914,355	9.06	12.24
1924	Common	54,237,360	4,914,460	9.06	12.36
1925	Common	54,269,334	5,531,238	10.19	14.26
1926	Common	54,280,512	7,375,210	13.59	19.90
1927	Common	54,280,512	55,314,075 (c)	101.91	161.16
1928	Common	54,280,512	11,062,815	20.38	31.47
1929	Common	77,989,245	22,109,089	29.63	47.81
1930	Common	135,523,464	22,864,143	16.87	27.18
1931	Common	142,802,106	10,325,863	7.23	10.22
Average Yields:					
1916–1931		57,714,301	10,592,158	18.35	
1926–1931		75,766,292	16,156,799	21.32	33.18

[illegible] premium of $20. per share on 146,847 shares called. The premium on the remaining 142,000 [illegible]

[illegible] rate of return to [illegible]

[fol. 14568

EXHIBIT X-295

Page 1

Ohio Bell Telephone Company Formal Case No. 3307

Western Electric Company

Annual Field Per Share of Capital Stock on Stockholders Original Investment

During Years 1882 to 1915, Inclusive

Year ending Dec. 31 (1)	Total shares outstanding (2)	Shares of bonus stock outstanding (3)	Cash dividends on bonus stock (4)	Number of shares of stock sold (5)	Shares of stock dividends on stock sold (6)	Total shares of stock sold outstanding (7)	Amount Received by W. E. for stock sold (8)	Total Amount Received by W. E. for stock outstanding (9)	Average price per share sold (10)	Cash dividends on stock sold (11)	Dividend per share (12)	Yield on price per share sold (13)	Average price per share outstanding (14)	Yield on price per share outstanding (15)
1882	10,000	2,000	$.....	8,000	.....	8,000	$745,000	$745,000	$93.12	$.....	$.....	.....	$74.50	.....
1883	10,000	2,000	6,000	.....	.....	8,000	.....	745,000	93.12	24,000	3.00	3.22%	74.50	4.03%
1884	10,000	2,000	.....	.....	.....	8,000	.....	745,000	93.12	.....	.....	.....	74.50	.....
1885	10,000	2,000	9,000	.....	.....	8,000	.....	745,000	93.12	36,000	4.50	4.83%	74.50	6.04%
1886	10,000	2,000	12,000	.....	.....	8,000	.....	745,000	93.12	48,000	6.00	6.44%	74.50	8.05%
1887	10,000	2,000	16,000	.....	.....	8,000	.....	745,000	93.12	64,000	8.00	8.59%	74.50	10.74%
1888	10,000	2,000	27,000	.....	.....	8,000	.....	745,000	93.12	108,000	13.50	14.50%	74.50	18.12%
1889	10,000	2,000	20,000	.....	.....	8,000	.....	745,000	93.12	80,000	10.00	10.74%	74.50	13.42%
1890	17,500	3,000	20,000	2,500	4,000	14,500	250,000	995,000	68.62	80,000	10.00	14.57%	56.86	17.59%
1891	17,500	3,000	24,000	.....	.....	14,500	.....	995,000	68.62	116,000	8.00	11.66%	56.86	14.07%
1892	17,500	3,000	24,000	.....	.....	14,500	.....	995,000	68.62	116,000	8.00	11.66%	56.86	14.07%
1893	17,500	3,000	30,000	.....	.....	14,500	.....	995,000	68.62	145,000	10.00	14.57%	56.86	17.59%
1894	20,000	3,428-4/7	33,214	.....	2,071-3/7	16,571-3/7	.....	995,000	60.04	160,536	10.00-a	16.13%	49.75	19.47%
1895	30,000	5,142-6/7	39,429	.....	8,285-5/7	24,857-1/7	.....	995,000	40.03	190,571	8.50-b	19.15%	33.17	23.12%
1896	30,000	5,142-6/7	41,143	.....	.....	24,857-1/7	.....	995,000	40.03	198,857	8.00	19.99%	33.17	24.12%
1897	30,000	5,142-6/7	41,143	.....	.....	24,857-1/7	.....	995,000	40.03	198,857	8.00	19.99%	33.17	24.12%
1898	35,000	6,000	48,000	.....	4,142-6/7	29,000	.....	995,000	34.31	232,000	8.00	23.32%	28.43	28.14%
1899	60,000	8,571-3/7	53,143	10,000	12,428-4/7	51,428-4/7	1,000,000	1,995,000	38.79	276,857	8.00-c	13.88%	33.25	16.54%
1900	70,000	8,571-3/7	68,571	10,000	.....	61,428-4/7	1,000,000	2,995,000	48.76	431,429	8.00-d	14.40%	42.79	16.69%
1901	80,000	9,796	75,918	.....	8,775-3/7	70,204	.....	2,995,000	42.66	544,082	8.00-e	18.17%	37.44	20.70%
1902	100,000	12,245	93,042	.....	17,551	87,755	.....	2,995,000	34.13	666,958	8.00-f	22.27%	29.95	25.38%
1903	120,000	14,694	112,654	.....	17,551	105,306	.....	2,995,000	28.44	807,346	8.00-g	26.96%	24.96	30.72%
1904	120,000	14,694	117,552	.....	.....	105,306	.....	2,995,000	28.44	842,448	8.00	28.13%	24.96	32.05%
1905	120,000	14,694	117,552	.....	.....	105,306	.....	2,995,000	28.44	842,448	8.00	28.13%	24.96	32.05%
1906	150,000	14,694	117,552	30,000	.....	135,306	3,000,000	5,995,000	44.31	1,022,448	8.00-h	17.06%	39.97	19.02%
1907	150,000	14,894	117,552	.....	.....	135,306	.....	5,995,000	44.31	1,082,448	8.00	18.05%	39.97	20.02%
1908	150,000	14,694	117,552	.....	.....	135,306	.....	5,995,000	44.31	1,082,448	8.00	18.05%	39.97	20.02%
1909	150,000	14,694	117,552	.....	.....	135,306	.....	5,995,000	44.31	1,082,448	8.00	18.05%	39.97	20.02%
1910	150,000	14,694	166,483	.....	.....	135,306	.....	5,995,000	44.31	1,533,517	11.33	25.58%	39.97	28.36%
1911	150,000	14,694	146,940	.....	.....	135,306	.....	5,995,000	44.31	1,353,060	10.00	22.57%	39.97	25.02%
1912	150,000	14,694	146,940	.....	.....	135,306	.....	5,995,000	44.31	1,353,060	10.00	22.57%	39.97	25.02%
1913	150,000	14,694	146,940	.....	.....	135,306	.....	5,995,000	44.31	1,353,060	10.00	22.57%	39.97	25.02%
1914	150,000	14,694	146,940	.....	.....	135,306	.....	5,995,000	44.31	1,353,060	10.00	22.57%	39.97	25.02%
1915	150,000	14,694	146,940	.....	.....	135,306	.....	5,995,000	44.31	1,353,060	10.00	22.57%	39.97	25.02%
Totals			2,400,752	60,500	74,806		5,995,000			18,777,998				
Yearly Average			70,610				2,789,118			552,294		19.80%		22.33%

For explanatory notes indicated by reference marks above and for other comments see succeeding page.

[fol. 14569]

EXHIBIT X-295, Page 2

Ohio Bell Telephone Co. Formal Case No. 3307

Western Electric Company

Annual Yield Per Share of Capital Stock on Stockholders Original Investment During the Years 1882-1915

NOTES:

The figures for the year 1915 do not include preferred stock issued in November, 1915 or dividends on the same. The dividends on preferred stock amounted to $109,500, which, if given consideration above, would increase the yield per share outstanding to 26.85% for the year 1915 and to 22.45% for the entire period.

Columns (3) and (7) include increases in stock outstanding due to stock dividends.

a.	$7.50 on	20,000	shares;	$2.50 on	17,500	shares.
b.	2.50 on	20,000	"	6.00 on	30,000	"
c.	2.00 on	60,000	"	6.00 on	35,000	"
d.	2.00 on	70,000	"	6.00 on	60,000	"
e.	6.00 on	80,000	"	2.00 on	70,000	"
f.	6.00 on	100,000	"	2.00 on	80,000	"
g.	6.00 on	120,000	"	2.00 on	100,000	"
h.	6.00 on	150,000	"	2.00 on	120,000	"

[fol. 14570]

EXHIBIT X-295, Page 14

Ohio Bell Telephone Co. Formal Case No. 3307

Western Electric Company, Inc.,

Return From Dividends on Original Capital Received From All Capital Stock Issues Years 1916 to 1931, Inclusive

Year ended December 31 (1)	Average capital from all issues (2)	Total dividends paid (3)	% dividends paid (4)
1916	$5,995,000	$2,100,000	35.03
1917	13,495,000	2,550,000	18.90
1918	20,995,000	3,300,000	15.72
1919	20,995,000	3,300,000	15.72
1920	20,995,000	3,345,000	15.93
1921	20,995,000	3,500,000	16.67
1922	20,995,000*	3,500,000*	16.67
1923	35,995,000	5,000,000	13.89
1924	35,995,000	5,000,000	13.89
1925	35,995,000	5,625,000	15.63
1926	35,995,000	7,500,000	20.84
1927	35,995,000	56,250,000**	156.27
1928	35,995,000	11,250,000	31.25
1929	60,161,667	23,500,000	39.06
1930	118,495,000	23,250,000	19.62
1931	125,995,000	10,500,000	8.33
Average 1916-1931	40,317,917	10,591,875	26.27§
Average 1923-1931	57,846,851	16,430,555	28.40

* Preferred stock, issued in 1922 and sold to the general public, was excluded from the above. Dividends on same were also excluded.

** Includes special dividend from E. B. P. I. of $48,750,000. Excluding this amount the yearly return would be 20.84%.

§ During the years 1916 to 1931 the increase in net assets from sources other than capital contributions was $27,019,139. If this increase in book values be considered in conjunction with the dividends the per cent would be 30.74.

(Here follows 1 paster, Exhibit X-295, folio 14571)

[fol. 14571]

EXHIBIT X-295, Page 15

Ohio Bell Telephone Co. Formal Case No. 3307

Western Electric Company, Inc.

Capital Stock Issued Prior to 1916—Annual Yield Per Share on Original Investment During Years 1916 to 1931, Inclusive

Year ending December 31 (1)	Total shares outstanding (2)	Shares of bonus stock outstanding (3)	Cash Dividends on bonus stock: Amount (4)	Cash Dividends on bonus stock: per share (5)	Shares of stock sold outstanding (6)	Total capital Received for stock sold and outstanding (7)	Average price per share sold (8)	Cash dividends on stock sold: Amount (9)	Cash dividends on stock sold: per share (10)	Yield on price per share sold (11)	Average price per share outstanding (12)	Yield on price per share outstanding (13)
1916	150,000 C 150,000 P	14,694 C 14,694 P	$117,552 C 88,164 P	$8.00 C 6.00 P	135,306 C 135,306 P	($5,995,000	($44.31	$1,082,448 C 811,836 P	$8.00 C 6.00 P	(31.60%	(39.97	(35.03%
1917	150,000 C 150,000 P	14,694 C 14,694 P	117,552 C 88,164 P	8.00 C 6.00 P	135,306 C 135,306 P	5,995,000	44.31	1,082,448 C 811,836 P	8.00 C 6.00 P	(31.60%	(39.97	(35.03%
1918	150,000 C 150,000 P	14,694 C 14,694 P	146,940 C 88,164 P	10.00 C 6.00 P	135,306 C 135,306 P	5,995,000	44.31	1,353,060 C 811,836 P	10.00 C 6.00 P	(36.11%	(39.97	(40.03%
1919	150,000 C 150,000 P	14,694 C 14,694 P	146,940 C 88,164 P	10.00 C 6.00 P	135,306 C 135,306 P	5,995,000	44.31	1,353,060 C 811,836 P	10.00 C 6.00 P	(36.11 %	(39.97%	(40.03%
1920	150,000 C P 100,000 C*	14,694 C P 9,796 C	146,940 C 16,898 P 73,470 C	10.00 C 1.15 P 7.50 C	135,306 C P 90,204 C	5,995,000	26.58	1,353,060 C 155,602 P 676,530 C	10.00 C 1.15 P 7.50 C	36.45%	23.98	40.41%
1921	250,000 C	24,490 C	244,900 C	10.00 C	225,510 C	5,995,000	26.58	2,255,100 C	10.00 C	37.62%	23.98	41.70%
1922	250,000 C	24,490 C	244,900 C	10.00 C	225,510 C	5,995,000	26.58	2,255,100 C	10.00 C	37.62%	23.98	41.70%
1923	250,000 C	24,490 C	244,900 C	10.00 C	225,510 C	5,995,000	26.58	2,255,100 C	10.00 C	37.62%	23.98	41.70%
1924	250,000 C	24,490 C	244,900 C	10.00 C	225,510 C	5,995,000	26.58	2,255,100 C	10.00 C	37.62%	23.98	41.70%
1925	250,000 C 125,000 C#	24,490 C 12,245 C	244,900 C 30,612 C	10.00 C 2.50 C	225,510 C 112,755 C	5,995,000	17.72	2,255,100 C 281,888 C	10.00 C 2.50 C	42.32%	15.99	46.91%
1926	375,000 C	36,735 C	367,350 C	10.00 C	338,265 C	5,995,000	17.72	3,382,650 C	10.00 C	56.42%	15.99	62.55%
1927	1,875,000 C&	183,675 C	2,755,125	15.00 C	1,691,325 C	5,995,000	3.54	25,369,875 C	15.00 C	423.18%	3.20	469.15%
1928	1,875,000 C	183,675 C	551,025	3.00 C	1,691,325 C	5,995,000	3.54	5,073,975	3.00 C	84.64%	3.20	93.83%
1929	1,875,000 C	183,673 C	918,375	5.00 C	1,691,325 C	5,995,000	3.54	8,456,625	5.00 C	141.06%	3.20	156.38%
1930	1,875,000 C	183,675 C	734,700	4.00 C	1,691,325 C	5,995,000	3.54	6,765,300	4.00 C	112.85%	3.20	125.10%
1931	1,875,000 C	183,675	321,431	1.75 C	1,691,325 C	5,995,000	3.54	2,959,819	1.75 C	49.37%	3.20	54.73
Totals			8,022,066					73,869,184				
Yearly Average			501,379			5,995,000		4,616,824		77.01%		85.37%**

* Transaction equivalent to exchange of 2 shares of common for three shares of preferred resulted in additional 100,000 shares of common.

\# Stock Dividend of 50%.

& Exchange of one old share for five new shares.

** During the period there was an increase in net assets from sources other than capital contributions of $27,019,139. The amount applicable to the stock issued prior to 1916 is $18,286,021. this increase in book values of the stock be considered in conjunction with the dividends, the per cent would be 104.43.

[fols. 14572-14587]

EXHIBIT X-295—PAGE 19

Ohio Bell Tel. Co.—Formal Case #3307

Western Electric Company, Inc.

Earnings (*) Available for Common Stock Related to Capital and Surplus, Based on Averages per Share During Years 1920 to 1931, Inclusive

Year	Average Number of Shares Outstanding During Year	Average Earnings	Average Capital	Per Cent of Earnings on Average Capital	Average Capital and Surplus	Per Cent of Earnings on Average Capital and Surplus
1920	315,000	$12.36	$66.65	18.54%	$183.97	6.72%
1921	350,000	12.35	59.99	20.59	167.92	7.35
1922	350,000	13.27	59.99	22.12	171.23	7.75
1923	500,000	14.38	71.99	19.97	154.25	9.32
1924	500,000	16.80	71.99	23.34	161.05	10.43
1925	563,889	40.34	63.83	63.20	179.88	22.43
1926	750,000	19.43	47.99	40.49	144.68	13.43
1927	2,583,333	25.59	13.93	183.70	34.06	75.13
1928	3,750,000	5.26	9.60	54.79	26.88	19.57
1929	4,357,636	6.19	13.81	44.82	29.54	20.95
1930	5,822,917	2.68	20.35	13.17	30.81	8.70
1931	6,000,000	1.80	21.00	8.58	31.21	5.78
Average 1920–1931	2,153,564	7.93	22.58	35.12	47.53	16.68
Average 1923–1931	2,758,642	7.74	20.97	36.91	42.36	18.27

* Earnings taken from Annua Reports to the stockholders of Westren Electric Company, Inc., without adjustments.

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[fols. 14588-14600] EXHIBIT X-316

Illinois Bell Telephone Company

Chicago Telephone Rate Case

Western Electric Company Manufactures, 1922-1930

Sales to Illinois Bell and to Ohio Bell as Per Cent of Total Sales to Bell Customers

	Year	% Ill. Bell	% Ohio Bell	Per cent of average (line 10) Ill.	Ohio
1.	1922	7.19	2.13	95	56
2.	1923	5.66	3.04	75	80
3.	1924	6.11	2.48	81	66
4.	1925	8.87	4.08	118	108
5.	1926	7.74	5.32	103	141
6.	1927	9.93	3.51	132	93
7.	1928	8.89	3.77	118	100
8.	1929	6.62	4.81	88	127
9.	1930	6.90	3.75	92	99
10.	Average	7.53	3.78	100	100

(Here follow 2 photos, side folios 14601-14610.)

EXHIBIT X-321

Illinois Bell Telephone Company—Chicago Exchange

	Independent Class A, B, C	Percent Independent of Total	Bell System	Percent Bell of Total	Total
Number of Central Iffices	3,747	36.3	6,585	63.7	10,332
Number of Stations	2,091,082	11.8	15,682,059	88.2	17,773,141
Fixed Capital	352,229,684	7.9	4,146,149,003	92.1	4,498,378,687
Capital Stock	161,736,059	6.3	2,413,768,502	93.7	2,575,504,561
Funded Debt	121,040,203	9.8	1,115,592,223	90.2	1,236,962,426
Total Assets	406,657,587	7.5	5,000,195,801	92.5	5,406,853,388
Revenues—Exchange	60,378,667	7.7	728,709,193	92.3	789,087,860
Revenues—Toll	18,162,013	5.0	348,541,203	95.0	366,703,216
Revenues—Miscellaneous	1,616,820	5.7	26,689,409	94.3	28,306,229
Revenues—Total Operating	80,157,500	6.8	1,103,939,805	93.2	1,184,097,305
Revenues—Other	1,204,321	2.5	47,626,208	97.5	48,830,529
Revenues—Total	81,361,821	6.6	1,151,566,013	93.4	1,232,927,834
Expenses					
Maintenance	12,586,979	6.2	191,056,987	93.8	203,643,966
Depreciation	12,331,388	6.3	182,400,230	93.7	194,731,618
Traffic	14,256,077	6.0	225,291,129	94.0	239,547,206
Commercial	5,709,851	5.1	106,347,376	94.9	112,057,227
General	6,408,869	8.7	67,653,358	91.3	74,062,227
Uncollectible	557,134	5.8	9,056,624	94.2	9,613,758
Taxes	5,769,018	6.3	86,291,070	93.7	92,060,088
Deductions, Rents, etc	1,198,328	7.1	15,594,814	92.9	16,793,142
Total	58,817,644	6.2	883,691,588	93.8	942,509,232
Available for Dep. Int. & Div	33,548,404	6.9	450,274,655	93.1	483,823,059
Available for Int. & Div	21,217,016	7.3	267,874,425	92.7	289,091,441
Available for Div	14,842,664	6.9	201,645,905	93.1	216,488,569

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EXHIBIT X-321 (CONTINUED)

Illinois Bell Telephone Company—Chicago Rate Case

Comparison of Bell and Independent Telephones in 52 Largest Cities in the United States, January 1, 1931

Exchange	Totals Bell and Independent Exchanges ***Population	Totals Bell and Independent Exchanges Number of Telephones	Independent Exchanges Exchange	Independent Exchanges Population	Independent Exchanges Number of Telephones
New York	7,014,900	1,786,270	Philadelphia	1,950,961	57,000*
Chicago	3,424,000	981,325			
Los Angeles	1,320,000	401,887			
Total 8 Cities over 1,000,000 population	19,602,900	4,875,830			
Pittsburgh	987,300	231,435			
Milwaukee	725,100	158,003			
San Francisco	653,300	262,470			
Washington	508,500	172,998			
Total 10 cities with population between 500,000 & 1,000,000	6,927,700	1,605,282			
Minneapolis	497,600	133,477			
Seattle	403,900	128,447			
Denver	290,100	91,965			
Omaha	228,800	67,102			
Total 34 Cities with population 200,000 & 500,000	10,228,400	2,204,289			
Total 52 Cities with more than 200,000 population	36,758,900	8,685,400			
			Rochester, N. Y.	328,132	89,533**
			St. Paul	271,606	84,000

*** City or Exchange Area.

* Includes Camden, N. J., Chester, Pa., and 14 small exchanges in competition with a Bell Exchange.

** Includes Rochester and 36 small exchanges.

[fols. 14611-14725] EXHIBIT X-343

Response to Mr. Blackman's question to Mr. Hammond on cross-examination (Record 5518) as follows:

"Q. Will you make up a little table for me, and add up the yields of the various years of Triple 'A' Bell bonds, the Triple 'A' Railroad bonds, and the Triple 'A' Utility bonds, and tell me what the comparison is that you have taken?"

	Cost to company			Yield to public (on offering price)		
Year	Bell System %	Railroads %	Public Utilities %	Bell System %	Railroads %	Public Utilities %
1923	5.33	5.24	5.77	5.11	5.10	5.52
1925	5.19	5.17	5.24	5.00	4.99	5.00
1926	5.02	4.75	5.08	4.83	4.65	4.91
1929	5.33	4.82	4.93	5.00	4.67	4.75
1930	5.21	4.80	4.88	5.02	4.66	4.69
Arithmetical Average	5.22	4.96	5.18	4.99	4.81	4.97
Weighted Average	5.21	4.94	5.12	5.00	4.78	4.92

All figures taken from Exhibit X-235 and supporting data X-261—Pages 4, 5, 6, 7, and 8.

[fol. 14726] EXTRACTS FROM EXHIBIT X-365

Advertisements of A. T. & T. the Cost of Which was Charged by the Plaintiff as Part of the Costs of Rendering the License Contract Services

February, 1931

What is the A. T. & T.?

All that most people see of the telephone company are a telephone and a few feet of wire.

But through that telephone you can talk with any one of millions of people, all linked together by the web of equipment of the Bell System.

All its efforts are turned constantly to one job—to give better telephone service to an ever-increasing number of people, as cheaply as it possibly can.

The American Telephone and Telegraph Company provides the staff work for the Bell System. To it the operation of the telephone service is a public trust. It pays a reasonable dividend to its stockholders • • • and uses all earnings beyond that to improve and extend the service.

There are more than 550,000 stockholders, and no one person owns so much as one per cent of its stock.

The Bell System operates through 24 regional co
each one attuned to the needs of its particular te
In addition, the 5,000 members of the Bell Laborato
staff do the scientific work which makes it possible to im
prove and widen the service at least cost to its users. Th
Western Electric Company, which manufactures for th
Bell System, specializes in the economical production o
telephone equipment of the highest quality.

All these facilities are directly available throughout th
entire Bell System, at any time or place. • • • Becaus
of them, every dollar that you spend for telephone servi
brings you constantly greater value and convenience.

• • • • • • •

[fol. 14727] April, 1930

The Bell Telephone Company of Your Town

An Advertisement of the American Telephone and Telegraph Company

It has its home in your town. Its operators are th
daughters of your neighbors. Its various departments ar
in the hands of your own citizens, with years of trainin
in telephone engineering and management. Who owns th
Bell System? 450,000 people scattered over the Unit
States own the stock of the American Telephone and Tel
graph Company and 250,000 own other securities of th
Bell System.

No matter how small the part of the Bell System th
serves you, it has behind it research, engineering and manu
facture on a national scale. The Bell System operat
through 24 companies, each designed to fit the particul
area it serves—to furnish the highest standard of servi
in a manner personal to the needs of every user.

Serving each of these 24 operating companies is the sta
of the American Telephone and Telegraph Company, wh
is constantly developing better methods of telephone com
munication.

Each draws on the findings of the Bell Laboratories, on
of the greatest institutions of its kind in the world, for th
continual scientific improvement of telephone service. Ea
has the benefit of the buying power and specialized manu
facturing processes of the Western Electric C
which supplies telephone apparatus of the high
and precision for the entire Bell System. Each

vantage of every improvement in practice, equipment and economy.

The Bell System's ideal is to give all of the people of this nation the kind of modern, convenient telephone service that they want, over its wires to connect them one with another and with the telephones of the rest of the world. It is your telephone company, at your service with every resource that it commands.

[fol. 14728] December, 1928

Where Working Together is Everything

An Advertisement of the American Telephone and Telegraph Company

It is the aim of the Bell System that any one anywhere in the country can pick up a telephone and talk to any one anywhere else clearly and without delay. That is the meaning of universal service. To provide it, the means of telephoning must be uniformly good. Each of the 24 operating companies of the Bell System has full access to all the improvements and methods that are continually being made.

There are 5,000 workers on the staffs of the American Telephone and Telegraph Company and the Bell Laboratories whose sole occupation is to develop constantly improving methods and equipment for the 350,000 employees of the Bell System to use in serving the public. The results of the efforts are evident, not only in the extension of telephone service across the Atlantic, but in the constantly improving local and long distance service at home.

The very nature of the telephone business necessitates a single interconnected system. The American Telephone and Telegraph Company accepts its responsibility for a nation-wide telephone service as a public trust.

It is fundamental in the policy of the Company that all earnings after regular dividends and a surplus for financial security be used to give more and better service to the public.

October, 1928

5,000 People Whose Sole Job Is Bettering Your Service

An Advertisement of the American Telephone and Telegraph Company

The very nature of the telephone business necessitates a single inter-connected system. The American Telephone

and Telegraph Company accepts its responsibility for
nation-wide telephone service as a public trust.

It also accepts responsibility for the safety of the fu
invested in it by more than 420,000 persons in every w
of life. From the time of its organization it has ne
missed paying a regular dividend, so that investors rig
[fol. 14729] feel assurance in providing money for t
growth of the business.

It is the policy of the company to use all income, beyo
that necessary to pay regular dividends and maintain a su
plus for financial stability, to improve and extend the ser
ice. Because of the nature of the business, speculati
profits have no place in it.

The Bell System maintains in its research, engineeri
and business staffs and in the Bell Laboratories 5,0
workers—in a total of 350,000 employees—whose sole occ
pation is to improve the telephone art and to make these i
provements instantly available throughout the nati
These workers are a guaranty of continued progress in fu
nishing the public a constantly improving telephone servi
at the lowest possible cost.

September, 1930

They Use It, They Believe in It, They Own It

An Advertisement of the American Telephone and
Telegraph Company

The Bell Telephone System is representative of the u
type of ownership in American business, and of the r
sponsibility to further the nation's welfare and prosper
which such an institution accepts.

Some 500,000 men and women, in nearly every town a
city in the country, own the stock of the American Te
phone and Telegraph Company. The average number
shares per stockholder is thirty. No single individual ow
as much as one per cent of the total capital stock. T
company pays only a regular, reasonable dividend, which
has not missed paying since its incorporation. Earnin
beyond that go into the extension and improvement of t
telephone service.

The Bell System is an American institution which co
sistently builds ahead of the communication needs of t
day and year. Its construction program for 1930 m
the expenditure of approximately 700 million dol

The scope, speed and accuracy of its service is dependent n the constant research of more than 5,000 scientific orkers, new methods of operation and construction, and he co-ordinated efforts of more than 450,000 widely scat-
[fol. 14730] tered employees. All its efforts are centered on iving the public a steadily improving telepho service at he lowest possible cost. This is the accepted responsibility f the Bell System.

• • • • • • •

October, 1926

Building on the Telephone Principle

Fifty years ago Alexander Graham Bell discovered the rinciple of the telephone. His first telephone employed ire as the connecting path over which words passed. Four ears later he used a beam of light instead of wire to carry peech between telephone instruments.

Today, both wire and wireless telephony are employed on very hand in the service of the nation. Wire telephony, ith its thousands of central offices, its complex switch-oards and millions of miles of wire, envelops the country, rrying for the American people 70,000,000 conversations very day. Wireless telephony is broadcasting entertain-ent and carrying important information to the remotest gions.

But new applications of the telephone principle are still ing found. In the loud speaker, in the deaf set, the elec-ical stethoscope, the improved phonograph, the telephone rinciple has been adapted by the Bell Telephone Labora-ries to the uses of the physician, the public speaker and e musician. The scientific research and engineering skill, hich enable America to lead the world in telephone serv-e, are also bringing forth from the telephone principle her devices of great usefulness.

September, 1928

Where the Bell System's Profits Goes

An Advertisement of the American Telephone and Telegraph Company

There is in effect but one profit paid by the Bell Tele-
This profit is not large, for it is the policy

of the Bell System to furnish a constantly improving
phone service at the least cost to the public.

The treasury of the American Telephone and Tel
Company receives dividends from the stock of the oper
[fol. 14731], companies. It receives a payment from
operating companies for research, engineering and
work. It receives dividends from the Western El
Company—makers of supplies for the Bell System—
income from long distance operations.

Only one profit is taken from this money in the Ameri
Telephone and Telegraph Company's treasury. That
the regular dividend to its stockholders—now more t
420,000 in number—which it has never missed paying
its incorporation in 1885.

Money beyond regular dividend requirements and a
plus for financial stability is used to give more and bet
telephone service to the public. This is fundamental in
policy of the company.

The Bell System accepts its responsibility to provi
nation-wide telephone service as a public trust.

January, 1930

A Reduction in Long Distance Telephone Rates

An Advertisement of the American Telephone and
Telegraph Company

On January 1, 1930, there is effective a reduction in va
ous long distance telephone rates in the Bell System wh
on the present volume of calls means a saving of more t
$5,000,000 a year to the telephone-using public in the Un
States. This is the fourth reduction in long distance r
within a little more than three years. On October 1, 1
they were reduced by $3,000,000. On December 1, 192
reduction of $1,500,000 went into effect. On Februar
1929, there was a reduction of $5,000,000.

These reductions are in accordance with the aim of
Bell System to continue to furnish the best possible
phone service at the least cost to the public. Earnings
of course, be sufficient to permit the best possible
service at all times and to provide a reasonable p
stockholders with an adequate margin to insure
safety. Earnings in excess of these require

ither be spent for the enlargement and improvement of the ervice, or the rates for the service will be reduced. This is undamental in the policy of the management.

fol. 14732] How Many Are 421,000 Stockholders?

An Advertisement of the American Telephone and Telegraph Company

On October 15th, American Telephone and Telegraph Company checks representing the 152d dividend were mailed to its 421,000 stockholders. That is the largest number of stockholders of any company in the world.

The American Telephone and Telegraph Company is owned by a great investment democracy.

Its dividend checks are cashed at banks in every state in the Union, by people representing all trades, stations and professions.

No institution is more nationally or publicly owned than the American Telephone and Telegraph Company, which in turn owns more than 91% of the common stock of the operating companies of the Bell national System. The average holding is 26 shares, and no one person owns as much as 1% of the total stock.

The Bell System was developed in the interest of telephone users and is owned by the public that it serves.

Dec., 1927.

EXHIBIT X-367

(This document was delivered to the Defendants on June 5, 1932, pursuant to cross-examination of Mr. Gregory on May 25, 1932 (Rec. 3414), together with statement of Mr. Bracelen by letter of June 15, 1932, as follows:

"We understand that as a result of your examination of underlying data of the 1927 profits on A. T. & T. instruments, you request the following additional information:

(a) 1927 results on new A. T. & T. Co. instruments similar in form to previous years results which you have available in the underlying data in your possession.

Copy of statement showing these results is attached

(b) Whether shop variation of current cost
ard cost (operating surplus and current under
[fol. 14733] ble to A. T. & T. Co. instruments)
mined in 1927 as in prior years.

In 1927, as in prior years, shop variation a
A. T. and T. Co. instruments was determined b
ratio of standard shop cost of A. T. and T. Comp
ments to total standard shop cost of telephone
of Western Electric manufacture.

(c) Statement as to what investment figures
and how they have been arrived at.

As explained by Mr. Gregory on the witness
vestment applicable to American Telephone and
Company instruments comprises the same items
investments shown on Exhibits A-77 and A-80, th
at gross value, merchandise at cost or market,
is the lower, receivables and cash, less current
payable.

The records for the period 1921 to 1926 inclu
the investment in merchandise and receivables,
to A. T. and T. Co. instruments, except that
merchandise representing work in progress whic
apportioned in general on the basis of standard
of sales. Investment in plant, cash and payab
same period, applicable to A. T. & T. Co. in
has been apportioned in general upon the basis o
shop cost of sales but with respect to plant, th
loadings on standard shop costs were used.

Records are not available which indicate the m
in determining the apportionment for the peri
1920 inclusive.

For 1927, average investment was determi
basis of turnover as indicated for the period 1
inclusive.

The method used brings the same result ove
year period, 1916 to 1927 inclusive, as is obtain
the turnover on telephone apparatus exclusiv
tion and equipment engineering, modified by
vestment completed instruments."

(Here follows 1 photo, side folio 14

EXHIBIT 36.7 - Continued

Net Profit - New A.T.&T. instruments

1927

(Dollars in Thousands)

B.T.L. 367

		Source
Sales	4,836	1929 Underlying Data 2.01-4 Report.
Basic Gross Profit	1467	" " "
Manufacturing Profit Supplies	128	Based on ratio of Manufacturing Supplies to Total Telephone Apparatus of W.E. Corp. standard Cost (3.8%) Annual standard Cost of sales of AT&T Dept. (3.36%) Underlying Data
Total Gross Profits	1595	
Expenses		
Development	567	1927 Underlying Data
Merchandising & General	285	" " "
	852	
Net Profits before Taxes	743	
Federal Taxes	97	at 13% of Net Profits before Tax.
Net Profits	646	
Per Cent Net Profits to Sales	13.4%	
Average Investment	6093	Based on turnover of approx. 8 for "general apparatus" 1926 as shown in article on Inventories which Mr. Bolander has. This ratio was applied to 1929 sales to determine investment
Per Cent Return	10.6	

9164A

[fols. 14735-14738] Net Profits Before Deducting Federal Taxes on Sales of New A. T. & T. Instruments in Excess of 20% Over Complete Cost Provided Under 1882 Contract

(Dollars in Thousands)

	(a) Analysis of 1927 Actual Selling Price Based on Estimated Cost	(b) Based on Actual Costs 1927 Selling Price Would Have Been	(c) Difference (a—b)	
Shop Cost	$3,292	$3,241	$51+	1
Development Expense	492	567	75—	2
Distribution Expense	246	285	39—	3
Complete Cost	$4,030	$4,093	63—	4
Profits (20% of Line 4)	806	819	13—	5
Selling Price	$4,836	$4,912	$76—	6
Selling Price (on basis of Col. b)	4,912			7
Profits more than 20% over Complete Cost (6-7)	76			8

[fol. 14739] EXHIBIT X-370

Royalties Received by Western Electric Company, Electrical Research Products, Inc., and Portion Paid to A. T. & T. Company in Accordance with Releases

(This document sent to Defendants June 15, 1932, togeter with the following statement from Mr. Bracelen:

"I enclose herewith a statement showing by years the royalties received by the Western Electric Company and the Electrical Research Products, Inc., and the portion of such royalties paid to the American Telephone and Telegraph Company for the period 1916 to 1931. No portion of royalties received by the Electrical Research Products, Inc. is paid to the Western Electric Company. In addition to the amount shown on this statement, the Western Electric [fol. 14740] Company turned over in 1925, to the American Telephone and Telegraph Company on behalf of the International Western Electric, $5,000 representing the American Telephone and Telegraph Company's share of royalties received by the International Western Electric Company";

and also the following statement from Mr. Bracelen under date of June 22, 1932:

"With reference to * * * royalties in which American Telephone and Telegraph does not participate," these royalties are received from the following sources:

(a) Permalloy and submarine cables.

(b) Reproducing Apparatus outside of the United States.

(c) Under contract with International Standard Electric Corporation and Northern Electric Company, Limited.

(d) From various manufacturing licensees.)

Royalties Received by Western Electric Company, Electrical Research Products, Inc., and Portion Paid to A. T. & T. Company in Accordance with Releases

(Dollars in Thousands)

Western Electric Company

	Total Royalty Received	Royalties in which A. T. & T. Co. does not participate	Royalties in which A. T. & T. Co. does participate	Royalty Paid A. T. & T. Co.
1916 to 1924	160	160	0	0
1925	436	144	292	54
1926	2,187	1,452	735	103
1927	227	227	0	0
1928	230	230	0	0
1929	295	295	0	0
1930	340	340	0	0
1931	298	298	0	0
	4,173	3,146	1,027	157

Electrical Research Products, Inc.

1927	1,274	258	1,016	188
1928	1,525	201	1,324	229
1929	2,896	361	2,535	328
1930	4,024	483	3,541	833
1931	3,734	346	3,388	794
	13,453 (A)	1,649	11,804	2,372
	17,626	4,795	12,831	2,529

(A) As shown on Exhibit A-82 large portions of these royalties were distributed to others than the A. T. & T. Co.

[fol. 14741] Royalties Paid by W. E. Co. to A. T. & T. Co. on Sales of Restricted Apparatus Covered by Releases

(Dollars in Thousands)

	Sales	% Royalty	Royalty Paid at T. & F. Co.
1919	180	5	9
1920	6	10	1
	178	5	9
1921	10	10	1
	272	5	14
1922	15	10	2
	1,499	5	75
1923	1,868	5	93
1924	1,565	5	78
1925	1,740	5	87
1926	2,507	5	125
1927	3,222	5	161
1928	10,743 (A)	3½ (A)	376
1929	25,415 (A)	3½ (A)	891
1930	11,039 (A)	3½ (A)	385
1931	4,030 (A)	3½ (A)	140
			2,447

(a) By agreement with A. T. & T. Co. beginning in 1928 the amount of royalties due on sales of restricted apparatus was determined by the application of 3½% to the total Sales of Special Commercial Products to non-Bell customers, instead of 5% of the sales of apparatus which were restricted. This change was made for convenience and to save expense, the amounts being substantially the same.

[fols. 14742-14761] EXHIBIT X-371

American Telephone and Telegraph Company

Miscellaneous Non-operating Revenues (Account 316), Year 1931

Western Electric Company—royalties and analogous items:	
Electrical recording of sound for the making of phonograph records	$19,938
Mechanical reproduction of sound from phonograph records	35,146
Recording and reproducing sound in timed relation with the taking and projection of pictures	902,242
Singer patent (linemen's shields)	1,383
Trailer and winch equipment	679
Carbon monoxide detectors	54
Deflection dynamometers	8
Sales by Western Electric Company of special commercial products	162,048
Total from Western Electric Company	1,121,498
Royalties received from:	
Atlantic Precision Company	817
Cameron Surgical Specialty Company	377
Foote Pierson and Company, Inc.	300
Northern Electric Company	2,589
Radio Products Company	2,170
Stromberg-Carlson Telephone Mfg. Co.	6,278
Supreme Instruments Corporation	449
Weston Electrical Instrument Corporation	1,077
Miscellaneous Long Lines items	36,116
Other miscellaneous minor items	46
Total	$1,171,717

[fol. 14762] EXTRACTS FROM EXHIBIT X-374

Memorandum of agreement, made this 16th day of February, 1922, between Western Electric Company, Incorporated, a corporation organized and existing under and

by virtue of the laws of the State of New York, hereinafter called the Western Company, party of the first part, and Stromberg Carlson Telephone Manufacturing Company, a corporation organized and existing under and by virtue of the laws of the State of New York, hereinafter called the Stromberg Company, party of the second part:

Witnesseth that for and in consideration of the mutual covenants and conditions hereinafter contained, the parties have agreed as follows:

Section I. The Stromberg Company agrees to manufacture for and sell and deliver to the Western Company, and the Western Company agrees to purchase and receive from the Stromberg Company at prices and upon terms and conditions hereinafter set forth, intercommunicating telephonic apparatus and parts therefor as hereinafter provided.

• • • • • • •

3. It is the intent of the parties that the "net cost" of apparatus and parts to the Western Company hereunder, shall during the term hereof, be such that the Western Company may be enabled to meet competition in sales to its electrical contractor customers, and so that the gross profit realized by the Western Company upon its aggregate quarterly sales of apparatus and parts covered hereby to its contractor customers is not less than 30% of the Western Company's aggregate selling prices to such customers, it being recognized by both parties that the selling expense [fol. 14763] of the Western Company upon the apparatus and parts covered hereby averages approximately 20% of its aggregate selling price.

• • • • • • •

In addition to the provisions of this contract quoted in full above it contains, in substance, the following additional matters:

Section II. Apparatus to be of highest quality material and workmanship and manufactured in accordance with specifications to be furnished to Stromberg by Western.

Section III. Gives Western the right of inspecting and rejecting the apparatus.

Section IV. Stromberg warrants apparatus, materials and parts furnished hereunder.

Section V. Western may bring additional types of intercommunicating telephonic apparatus under terms of the contract.

Section VI. Covers the details of placing orders, manufacturing of apparatus, maintenance of stock of apparatus by Stromberg and the disposal of all stock thereof if the contract is terminated (pages 2-4).

Section VII. Covers the billing for apparatus purchased hereunder.

Section VIII. (1) Provides that the net cost to Western of apparatus purchased shall be determined by mutual agreement in advance of purchases.

(2) Provides that at quarterly intervals Stromberg shall submit a list showing types of apparatus and proposed schedule of net cost therefor (page 3).

(3) Quoted in full above (pages 5-6).

Section IX. Requires Stromberg, as various types of equipment come under contract, to purchase from Western such tools therefor as Western shall desire to sell at a price not to exceed cost less reasonable allowance for depreciation.

Section X. Provides that Stromberg, as various types of apparatus become covered by contract, shall purchase from Western such raw materials and such assemblies and codified parts of apparatus as Western may require Stromberg to employ in various kinds of apparatus manufactured hereunder. Prices and terms to be mutually agreed upon (page 7).

[fol. 14764] Section XI. As various types of apparatus come under contract Stromberg shall purchase from Western its stock of completed apparatus of such types (pages 7-8).

Section XII. Prohibits sale of apparatus manufactured under Western patents to any other Stromberg customer (pages 8-9).

Section XIII. Prohibits assignment of contract by Stromberg.

Section XIV. Contract to be construed according to the laws of New York (p. 10).

Section XV. Contract to be effective January 1, 1922, and shall continue in force until terminated by three months' written notice by either party (p. 10).

EXTRACTS FROM EXHIBIT X-375

Memorandum of agreement, made this 1st day of June, 1920, by and between the Stromberg-Carlson Telephone Manufacturing Company, a corporation organized and existing under the laws of the State of New York, hereinafter called the "Stromberg Company", and Western Electric Company, Incorporated, a corporation organized and existing under the laws of State of New York, hereinafter called the "Western Company":

In consideration of the mutual covenants and undertakings herein made and entered into by the parties hereto, it is agreed by and between said parties as follows:

1. The Stromberg Company agrees to manufacture and sell to the Western Company and the Western Company agrees to purchase from the Stromberg Company one thousand (1,000) thirty (30) line Private Branch Exchange telephone switchboards upon the terms and conditions hereinafter provided.

. . . . . .

11. The Stromberg Company agrees and warrants that the switchboards and parts thereof to be furnished under this contract and the circuits therein employed will not infringe any valid patent or trademark, and that in case any action or suit charging any such infringement shall at any [fol. 14765] time be brought against the Western Company or against any purchaser or user of said switchboards and parts so furnished by the Stromberg Company under this contract, the Stromberg Company will at its own expense defend any and all such actions or suits and will save the Western Company and all customers of the Western Company harmless therefrom and from any and all claims, demands and liabilities directly arising from any such alleged infringement; provided, however, that the Stromberg Company shall be given immediate written notice of all charges of such infringement and the institution of any such suits and full authority and opportunity to assume defense thereof through its own counsel, and provided, further, that the obligations of the Stromberg Company under this paragraph 11 shall not extend to any of the parts to be furnished by the Western Company in accordance with paragraph 10 hereof, nor to any infringement due solely to features of

construction or circuits which are not standard with the Stromberg Company or furnished by it to its other customers.

12. The Western Company agrees and warrants that the parts to be furnished by it under paragraph 10 of this agreement will not infringe any valid patent or trademark and that the apparatus and circuits described by the said specifications, so far as the same specify features of construction or circuits which are not standard with the Stromberg Company or furnished by it to its other customers, will not infringe any valid patent or trademark, and that in case any action or suit charging such infringement shall at any time be brought against the Stromberg Company by reason of the use of any of the parts furnished by the Western Company hereunder or by reason of the manufacture for the Western Company of apparatus or circuits which are not standard with the Stromberg Company or furnished by it to its other customers, the Western Company will at its own expense defend any and all such actions or suits and will save the Stromberg Company harmless therefrom and from all claims, demands or liabilities directly arising from any such alleged infringement; provided, however, that the Western Company shall be given immediate written notice of all claims of such infringement and of the institution of [fol. 14766] any such suits, and full authority and opportunity to assume the defense thereof through its own counsel.

In addition to the above portions of the contract quoted in full, the remaining portions of the contract in brief are as follows:

Paragraph 2 provides that switchboards to be furnished hereunder shall conform to certain specifications prepared by Western Electric; and that this agreement shall not be construed to authorize Stromberg Company to manufacture for or sell to others than Western Company any private branch exchange telephone switchboards embodying any invention or patents of the Western Company under which the Stromberg Company is not already licensed. Paragraph 3 covers manner of delivery. Paragraph 4 covers manner of Western Company's informing Stromberg as to equipment of the switchboards to be delivered. Paragraph 5 covers the price which Western agrees to pay Stromberg Company for all switchboards

shipped by Stromberg Company. Paragraph 6 covers additional equipment to be supplied by Stromberg Company to Western. Paragraph 7 provides that Stromberg will for five years from date hereof and thereafter as long as purchases of Western Company shall amount to $500 or more per year, supply Western with such parts for the switchboards covered hereby as the Western may order from time to time, at the Stromberg Company's lowest prices in effect at the date the order is received, less 25% and 5%. Paragraph 8 covers markings on switchboards. Paragraph 9 covers inspection at option of Western Company. Paragraph 10 covers certain parts to be incorporated into the switchboards to be furnished by Western Company to Stromberg Company, and prices therefor are to be as low as the prices the Western Company charges its most favored customers for similar parts. Paragraphs 11 and 12 are quoted in full above. Paragraph 13 provides for guaranty by Stromberg Company of first class design and workmanship of all switchboards and parts furnished under this agreement, and against defects.

EXHIBIT X-378

Agreement made this 30th day of March, 1928, between Western Electric Company, Incorporated, a New York cor- [fol. 14767] poration, hereinafter called Western, and International Standard Electric Corporation, a Delaware corporation, hereinafter called International, witnesseth:

Whereas the parties hereto heretofore entered into a certain agreement dated October 1, 1925, with reference to the exchange of patent rights and technical information and certain sales arrangements, and

Whereas the parties hereto desire to supplement said agreement of October 1, 1925, and to exchange certain further rights and licenses as herein provided,

Now, in consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

1. Wherever International is herein mentioned, such term shall, unless inconsistent with the context, be deemed to include each and all of International's associated companies as defined in said agreement of October 1, 1925, and the respective successors to substantially the entire good

will and business of International and/or its said associated companies.

2. Wherever Western is herein mentioned, such term shall, unless inconsistent with the context, be deemed to include each and all subsidiary companies owned or controlled by Western and the respective successors to substantially the entire good will and business of Western and/or its said subsidiary companies.

3. International hereby grants to Western, its successors and assigns, (subject to the licenses herein reserved by and granted to International and subject also to such rights, if any, as Marconi's Wireless Telegraph Company Limited may now have or be entitled to receive under a certain contract between the latter and Standard Telephones and Cables Limited, formerly Western Electric Company, Limited, dated February 16, 1925), licenses under all patents and patent rights and other rights which are now owned or controlled by International or which may be owned or controlled by International during the term of this agreement, and under all patents and patent rights or other rights which International has at any time acquired directly or indirectly from Western, said licenses to Western being of the following character and scope:

to make, use and sell throughout the world any and all apparatus for use

[fol. 14768] (a) in recording sound or

(b) in reproducing sound from records or

(c) for establishing or maintaining a timed relation between the recording or the reproduction of sound on the one hand, and the taking or projection of motion pictures on the other hand,

but only insofar as and to the extent that said apparatus is used or intended for use for any of the purposes aforesaid, and provided that said licenses do not extend to apparatus of a character not ordinarily employed in accomplishing the functions or uses aforesaid as a primary object or purpose thereof, or as directly incidental to such primary purpose.

(For example, in the case of the electrical reproduction of sound from records, said licenses cover not only the mechanism for driving the record and controlling the speed thereof, and the electrical "pick-up" for producing variations in electric current corresponding to the sound vibra-

tions recorded on the record, but said licenses also cover electrical amplifiers, transformers, loud speakers, and current controlling devices, so far as and to the extent that the various elements above referred to are used for reproducing sound from records. But in the case of radio broadcasting from phonograph records, said licenses would not extend to the radio transmitting apparatus or to the radio receiving sets, since such radio apparatus is of a character not usually employed for the primary purpose of broadcasting sound from records or as a direct incident to such primary purpose, but said licenses would extend to the phonograph mechanism and electrical "pick-up" thereof connected to the radio broadcast transmitter.)

Subject as aforesaid; said licenses shall, in respect of patents based upon inventions originating with or derived from Western, be exclusive from date hereof until the ends of the terms of said patents respectively, and in respect of all other patents shall be exclusive during the term of this agreement and non-exclusive thereafter for the remainder of the terms of said patents respectively.

4. International agrees that it will not during the term of this agreement manufacture or sell (except only to the [fol. 14769] extent of the rights in this instrument expressly reserved by and granted to International) any apparatus, systems, devices or things whatsoever, whether patented or unpatented, for the purpose of or for use in

(a) recording sound or

(b) reproducing sound from records or

(c) establishing or maintaining a timed relation between the recording or reproduction of sound and the taking or projection of motion pictures,

whether in any such case such recording or reproduction of sound is the principal purpose or is incidental to other uses and purposes except, however, that nothing in this paragraph contained shall apply to manufacture or sale in the United States (which term shall include all places subject to the jurisdiction of the United States) or to any business or commerce within, into or from the United States, and except also that if at any time it shall be established by competent authority or by advice of the legal counsel of both parties that the provisions of this section are in con-

flict with the laws of any country, this section shall, as regards such country, be void, and this agreement shall be construed as though such country had been specifically excepted from the operation of this section.

5. International hereby reserves and Western hereby grants to International, to the full extent to which Western has or shall acquire rights of the character herein granted, non-exclusive licenses under all patents and patent rights or other rights which are now owned or controlled by Western and under all patents and patent rights and other rights which may be owned or controlled by Western during the term of this agreement or which at any time heretofore have been owned or controlled by Western to make, use and sell throughout the world except the United States, Canada and Newfoundland, any and all apparatus (including amplifying and loud speaking equipment) for use for the electrical reproduction of sound from records, but only in so far as and to the extent that said apparatus is used for the purpose aforesaid, except that said licenses do not extend to apparatus of a character not ordinarily employed in accomplishing the function or use aforesaid as a primary object or purpose thereof or as directly incidental to such primary [fol. 14770] purpose (the examples given in Section 3 as to the interpretation of said section being also applicable to the licenses granted in the present section) and except also, that said licenses do not extend to the manufacture, sale or lease of apparatus

(a) for use in theatres (including motion picture theatres) or

(b) for use in homes, including all places of permanent or temporary residence, such as private living rooms of hotels, or

(c) for use in connection with apparatus for establishing or maintaining a timed relation between the reproduction of sound and the taking or projection of motion pictures, or

(d) for use as a self-contained instrument of the phonograph type in which the pick-up amplifier, and loud speaker are assembled in the same cabinet, or

(e) for use in or as a part of mechanical talking machines (meaning thereby machines for reproducing sounds from Gramophone or phonograph records in which a stylus,

moved by the record, vibrates a diaphragm or other vibratory member by means of a mechanical connection thereto as distinguished from electro-magnetic actuation of the diaphragm).

6. International further reserves and Western hereby grants to International to the full extent of any rights which Western now has, or may during the term of this agreement acquire, rights in respect of apparatus for the recording of sound and/or for the electrical reproduction of sound from records, in so far as and to the extent that such apparatus is used or intended for use in and as a part of telephone exchange systems, such rights to International to be of the same character and scope as were in and by said agreement of October 1, 1925 granted and agreed to be granted by Western to International in respect of said apparatus.

7. Nothing herein contained shall operate as a limitation or restriction upon the exercise by International of any rights with respect to the manufacture, use and sale of amplifiers and/or loud speakers for uses other than those mentioned in Section 3 hereof, which International has or is [fol. 14771] entitled to receive under said agreement of October 1, 1925, or under a certain previous agreement dated August 14, 1925, between Western and International and International Telephone and Telegraph Corporation, a Maryland corporation.

8. International hereby grants to Western, its successors and assigns, a license under all patents and patent rights owned or controlled by International on October 1, 1925, to make, use and sell throughout the world all apparatus, devices, systems, methods and equipment intended for use in the fields referred to in Items (d), (e) and (f) of Section 3 of Article II of said agreement of October 1, 1925, namely,

"(d) Applications and uses of telephone apparatus as aids to the deaf or for the measurement of sensitivity of hearing; audiophones and audiometers.

(e) Submarine signalling;

(f) Direction-finding; radio goniometry."

Said licenses to Western in this Section 8 granted shall be exclusive for the term of this agreement and non-exclusive thereafter.

9. International hereby grants to Western, its successors and assigns, licenses under all patents and patent rights and other rights which International now owns or controls, or may during the term of this agreement own or control, to the full extent to which International has or shall acquire such rights, to make, use and sell throughout the world, all apparatus, devices, systems, methods and equipment intended for use in the field referred to in Item (a) of Section 3 of Article II of said agreement of October 1, 1925, namely

"(a) Transmission and reception of all graphical and printed matter, including pictures, motion-pictures, drawings, writings or images ("television"); except, however, the transmission and reception of messages by pictures of words or symbols, which are to be regarded as telegraphy for the purpose of this agreement,"

said licenses to be exclusive for the term of this agreement, (subject to non-exclusive licenses hereby reserved to [fol. 14772] International) and non-exclusive thereafter for the remainder of the terms of the respective patents.

10. Western hereby grants to International non-exclusive licenses under all patents and patent rights and other rights which Western now owns or controls, or may during the term of this agreement own or control, to make, use and sell throughout the world, except the United States, Canada and Newfoundland, all apparatus, devices, systems, methods and equipment intended for use in the field referred to in the said Item (a) of Section 3 of Article II of said agreement of October 1, 1925, for the entire terms of the respective patents; provided, however, that Western and International, and their respective successors, assigns and licensees, shall in good faith from time to time make every reasonable effort to agree and adhere to such policies and practices in the distribution of said apparatus for use in said field as shall be mutually satisfactory and for the best interest of both parties. It is contemplated by both parties that so far as practicable said apparatus shall be leased to users instead of being sold outright.

11. Insofar as to the extent that any licenses herein granted or agreed to be granted are expressed as "exclusive", such exclusive licenses include the right to grant sublicenses thereunder. In the event that either party shall assign to others any portion of its good will and business

for any country or countries, to which good will and business any of the non-exclusive licenses herein granted or agreed to be granted to such party relate, the party having such non-exclusive licenses may assign the same to such assignee of any portion of its good will and business so far as said licenses are applicable thereto; but except as above provided the licenses herein described as "non-exclusive" are personal to the parties hereto respectively and their respective associated and subsidiary companies referred to in Sections 1 and 2 hereof.

12. Each of the parties hereto agrees to furnish to the other party information as to patents and applications for patents in respect of which the other party is entitled to receive licenses hereunder and technical information in respect of apparatus, methods, systems and devices for use in the fields of said licenses to the other party; (except that [fol. 14773] International shall not be obligated to furnish the technical information referred to in Article V of said agreement of October 1, 1925 in respect of apparatus of a character which is not ordinarily used for any other purpose than the reproduction of sound from records, for example the "pick-up", as distinguished from amplifiers and loud speakers, which may be sold for other purposes) and to the extent that either party is entitled hereunder to receive such licenses all of the provisions of Articles IV and V of said agreement of October 1, 1925 shall (except as aforesaid) apply to the furnishing of such patent and technical information by the other party as though the same were within the field of patent exchange referred to in said agreement.

13. International agrees to pay to Western a royalty upon all apparatus, whether patented or unpatented, sold, or furnished for use within any of the fields for which any licenses or rights are herein granted to International; and all of the provisions of Article VI of said agreement of October 1, 1925 shall apply thereto as though all apparatus for use in the fields of the licenses herein granted to International were listed in the Schedule 1 referred to in said Article VI, except that the rate of royalty upon apparatus (such as the "pick-up", for example) which is not ordinarily used for any other purpose than the reproduction of sound from records shall be five per cent (5%) upon any such apparatus covered by any patent or patents of West-

ern, and except also that the royalty in respect of apparatus for use in the field of the licenses granted in Section 10 hereof shall be an amount equal to five per cent. (5%) upon the fair market value of the apparatus so furnished, plus fifty per cent. (50%) of all amounts in excess of such fair market value charged to the user by way of rentals, or in the purchase price, or otherwise, provided that in case such apparatus is purchased from Western for sale or lease by International, International shall not be obligated to pay said five per cent. (5%) upon the market value thereof, but shall pay to Western the said fifty per cent (50%) of all amounts in excess of such fair market value which may be charged to the user; and

[fol. 14774] Provided, further, that in the event that Western, its successors, assigns or licensees, shall at any time grant to others than International licenses, in the field of the licenses granted in Section 10 hereof, for any country or countries outside the United States, Canada and Newfoundland at a rate of royalty lower than the royalty herein provided to be paid by International, then and in that event the royalties to be paid by International in respect of any rights herein granted to International for such country or countries shall be reduced in such a manner as not to exceed the rates of royalty upon which such licenses to others shall have been granted.

14. It is mutually agreed that the appointment of International as exclusive distributor for Western as provided in Section 1 of Article VII of the said agreement of October 1, 1925, shall not be deemed to apply to any equipment or apparatus for use in the fields referred to in Section 3 of said agreement of August 14, 1925, or in the fields referred to by Sections 3 and 4 of Article II of said agreement of October 1, 1925.

15. Each of the parties hereto agrees that it will in good faith make every reasonable effort to determine the ultimate use for which apparatus sold by it (in or for use in the territory for which licenses are herein or by said agreement of October 1, 1925 granted to the other party), is intended, particularly with reference to apparatus which is capable for use in or for or in connection with the reproduction of sound from records, and in the event that one of the parties has knowledge or information that apparatus sold by it is intended for use in a field for which the licenses

of the other party hereto are to any extent exclusive (either under the present agreement or under said agreements of August 14, 1925 and October 1, 1925), the party having such knowledge or information will not accept orders for apparatus intended for such use. In the event that either party has knowledge or information that apparatus previously sold or furnished by it was subsequently used for purposes in the exclusive field of the other party, the party having such knowledge will refuse to accept further orders for the same kind of apparatus from the customer in question until it is assured that the apparatus covered by such further orders will not be used in the exclusive field of the other party.

[fol. 14775] 16. International agrees that it will not assert, maintain, agree to, or acquiesce in any position, in respect of the contract dated February 16, 1925, between Marconi's Wireless Telegraph Company Limited and Standard Telephones and Cables Limited (formerly Western Electric Company Limited) which is inconsistent with Western's interpretation of the term "public address systems" as used in said contract; and Western and International mutually agree to endeavor in good faith to come to an understanding with regard to concessions or arrangements, if any, which may, in the opinion of both parties, be desirable to make to or with said Marconi's Wireless Telegraph Company Limited in settling the dispute which has arisen with said company with respect to the interpretation of said contract.

17. All of the provisions of Article VIII, and of Sections 1 to 5 inclusive of Article IX, and all the provisions of Article X of said agreement of October 1, 1925, shall apply to the present agreement in like manner as if said provisions were written herein.

18. This contract shall inure to the benefit of and be binding upon the parties hereto and the assignees of and successors to substantially the entire good will and business of said parties respectively from date hereof until the termination of said agreement of October 1, 1925, and shall terminate with said agreement, but termination of the sales arrangements provided for in Article VII of said agreement prior to the termination of said agreement as a whole shall not affect the present agreement.

In witness whereof the parties hereto have caused this instrument to be executed by their respective proper officers thereto duly authorized at New York City, New York, the day and year first above written.

Western Electric Company, Incorporated, by Edgar S. Bloom, President. Attest: H. B. Gilmore, Secretary. International Standard Electric Corporation, by G. E. Pingree, President. Attest: S. G. Ordway, Asst. Secretary.

In consideration of the foregoing agreement and of the sum of one dollar ($1.00) and other good and valuable considerations, the receipt of which is hereby acknowledged, the undersigned Electrical Research Products Inc. hereby [fol. 14776] assents to the execution and delivery of the foregoing agreement by Western Electric Company, Incorporated, and to the full extent of any right, title or interest which it has in the subject matter thereof or in, to or under any patents, applications for patents, inventions and rights therein granted or agreed to be granted by said Western Electric Company, Incorporated, and in respect of all patents, applications for patents, inventions and rights now owned or controlled or hereafter during the term of said agreement owned or controlled by Electrical Research Products Inc., said Electrical Research Products Inc. hereby joins in said agreement and assumes toward said International Standard Electric Corporation obligations of the same character and scope as the obligations therein assumed by said Western Electric Company, Incorporated.

Electrical Research Products, Inc., by J. E. Otterson, President. Attest: H. B. Gilmore, Sec.

In consideration of the foregoing contract and of the sum of one dollar ($1.00) and other good and valuable considerations, the receipt of which is hereby acknowledged, the undersigned American Telephone and Telegraph Company, a New York corporation, hereby assents to the execution and delivery of the foregoing agreement by Western Electric Company, Incorporated, and agrees that during the time said agreement shall remain in force it will grant to said Western Electric Company, Incorporated, rights in respect of all foreign patents and foreign rights to inventions which are now owned or which may hereafter be acquired by American Telephone and Telegraph Com-

pany, said rights to be of the same character and scope as the rights which said Western Electric Company, Incorporated, is or will be obligated under said agreement to grant to said International Standard Electric Corporation in respect of the patents, applications for patents and inventions of said Western Electric Company, Incorporated.

American Telephone and Telegraph Company, by Walter S. Gifford, President. Attest: A. A. Marsters, Secretary.

In consideration of the foregoing contract and of the sum of one dollar ($1.00) and other good and valuable considerations, the receipt of which is hereby acknowledged, the [fol. 14777] undersigned, Bell Telephone Laboratories, Inc., a New York corporation, hereby assents to the execution and delivery of the foregoing agreement by Western Electric Company, Incorporated, and agrees that during the time said agreement shall remain in force it will grant to said Western Electric Company, Incorporated, rights in respect of all foreign patents and foreign rights to inventions which are now owned or which may hereafter be acquired by Bell Telephone Laboratories, Inc., said rights to be of the same character and scope as the rights which said Western Electric Company, Incorporated, is or will be obligated under said agreement to grant to said International Standard Electric Corporation in respect of the patents, applications for patents and inventions of said Western Electric Company, Incorporated.

Bell Telephone Laboratories, Inc., by Frank B. Jewett, President. Attest: J. W. Farrell, Secretary.

In consideration of the foregoing contract and of the sum of one dollar ($1.00) and other good and valuable considerations the receipt of which is hereby acknowledged the undersigned International Telephone & Telegraph Corporation, a Maryland Corporation, being a party to the agreement of August 14, 1925, therein referred to, and being the owner of all of the capital stock of said International Standard Electric Corporation, hereby consents to the foregoing contract.

International Telephone & Telegraph Corporation, by J. L. McQuarrie, Vice-President. Attest: Albert L. Hoffman, Asst. Secretary.

EXHIBIT X-379

Memorandum of agreement made this first day of January, 1919, between International Western Electric Company, Incorporated, a corporation of the State of Delaware, hereinafter called the International Company, party of the first part, and Northern Electric Company, Limited, a corporation of the Dominion of Canada, hereinafter called the Northern Company, party of the second part, witnesseth:
[fol. 14778] That in consideration of the mutual covenants and agreements herein contained, it is agreed by and between said parties as follows:

1. Scope:

(a) The International Company hereby appoints the Northern Company its exclusive distributor for the sale in the Dominion of Canada and Newfoundland of all merchandise, whether patented or not, which the International Company has or may hereafter have the right to sell for export, and the Northern Company agrees to purchase from the International Company, or its associated companies (meaning thereby the companies, the majority of whose stock is now or may hereafter be owned by the International Company or Western Electric Company, Limited, of Canada) all such merchandise, other than that of like kind and character manufactured by the Northern Company, which the Northern Company requires in its business and which the International Company or its associated companies can furnish upon terms as favorable as those offered by others; provided, however, that nothing herein contained shall prevent the Northern Company from purchasing any merchandise in the Canadian market where such purchase is clearly in the national or the company's interest.

(b) The Northern Company agrees to give the International Company, or its nominees, the exclusive distribution in all countries outside of the Dominion of Canada and Newfoundland, of all merchandise, whether patented or not, which the Northern Company manufactures or sells.

2. Prices and Terms:

(a) The International Company agrees on behalf of itself and its associated companies, as above defined, to sell to the Northern Company, and the Northern Company agrees to sell to the International Company and its associated com-

panies merchandise as above provided at prices determined as follows:

Merchandise of Western Electric or Northern Electric manufacture at prices mutually agreed upon from time to time between the parties hereto, but not exceeding prices charged to the associated companies of the International [fol. 14779] Company, for material of like kind and quality, by the party making the sale.

Merchandise not of Western Electric or Northern Electric manufacture, including shop raw material, at the cost thereof, to the party making the sale, cash discounts deducted, plus the usual service charges made between the International Company and its associated companies.

(b) Bills for merchandise of Western Electric and of Northern Electric manufacture shall be payable and commence to bear interest on the 15th day of the third month following the date of bills for such merchandise, and bills for merchandise not of Western Electric and not of Northern Electric manufacture shall be payable as and when billed and shall commence to bear interest from the 15th day of the month in which bills are rendered. In the absence of any special agreement the interest referred to above shall be at the rate of 6% per annum.

(c) The term "merchandise of Western Electric manufacture" as herein used means all merchandise manufactured by Western Electric Company, Incorporated, of New York, by the International Company or by any of the associated companies, as hereinabove referred to, of the International Company.

3. Information:

(a) The International Company agrees to give to the Northern Company all information on the latest and best methods of rendering telephone and telegraph service which it may procure from others and which it is permitted by the parties from which procured to so furnish.

(b) The International Company agrees to give to the Northern Company all information in regard to sales methods, accounting methods, and technical engineering and manufacturing matters which it may possess or acquire and have the right to furnish, and which may be needed by the Northern Company for the proper, economical and effi-

cient operation of its business, and shall give assistance to the Northern Company in every way to the end that the Northern Company shall have, whenever needed, the benefits of the wide and varied experience of the International Company and its associated companies.

[fol. 14780] (c) The Northern Company agrees to furnish to the International Company upon the latter's request, insofar as it is in a position to do so, information of the character hereinabove in this section 3 described.

(d) All information given by either party to the other, as above provided, is for such other party's exclusive use and shall be kept confidential and not furnished or sold to any other person, firm or company, except that the International Company may furnish to its associated and allied Companies and to companies of the Bell Telephone System such of the information received from the Northern Company as the International Company may deem advisable.

4. Special Services:

(a) The International Company agrees to furnish to the Northern Company upon request:

(1) Suitable plans for buildings and character and layout of machinery, and if desired, an expert or experts to supervise the construction and erection of factory buildings and the installation of machinery.

(2) Experts to aid by research and development work or otherwise, in the solution of any engineering or manufacturing problems, or problems relating to the management and development of business that may be submitted by the Northern Company.

(b) The Northern Company agrees to furnish to the International Company upon the latter's request, insofar as it is in a position to do so, special expert services similar to those hereinabove in this section 4 described.

(c) All such special expert services furnished by either party to the other, shall be at the expense of the party to which the same is furnished, such expense to be the actual cost of the services rendered.

5. Training of Students:

The International Company will, subject to the laws of the United States, upon request and at the expense of the

Northern Company, receive or arrange for the reception into its own organization, or that of Western Electric Company, Incorporated, of New York, of a reasonable number of men designated by the Northern Company and will fur- [fol. 14781] nish them every facility for studying the methods and practices followed in all departments of said companies.

6. Compensation:

The Northern Company agrees to pay the International Company as compensation for the information and advice furnished by the International Company as provided in Section 3 hereof, and for the licenses under patents as provided in a certain agreement between the parties hereto and others, relating to patents dated the 27th day of August, 1919, an amount equal to one per cent (1%) of the total sales by the Northern Company to its customers of material now regularly classed by the Northern Company as telephone apparatus and of such additional material which later may be so classed as telephone apparatus. Such compensation shall be determined quarterly, shall be payable to the International Company as and when billed and shall commence to bear interest from the 15th day of the month following that in which bills are rendered.

7. Termination:

This agreement shall continue in force until terminated by not less than one year's prior written notice by either party to the other of its election to cancel the same.

In witness whereof the parties hereto have caused these presents to be executed by their officers thereunto duly authorized the day and year first above written.

International Western Electric Company, Incorporated;, by G. E. Pringle, Vice-President. Attest: E. C. Pratt, Secretary. Northern Electric Company, Limited, by P. F. Sise, Vice-President. Attest: William Hay, Secretary.

EXTRACTS FROM EXHIBIT X-380

Memorandum of agreement, made this 27th day of August, 1919, between International Western Electric Com-

pany, Incorporated, a corporation of the State of Delaware, hereinafter called the International Company, party of the first part; Western Electric Company, Limited, a corporation of the Dominion of Canada, hereinafter called Western Limited, party of the second part; Northern Electric [fol. 14782] Company, Limited, a corporation of the Dominion of Canada, hereinafter called the Northern Company, party of the third part, and The Bell Telephone Company of Canada, Limited, a corporation of the Dominion of Canada, hereinafter called Bell Company of Canada, party of the fourth part:

Whereas, the Western Limited in its name of Electrical Properties Limited, entered into a certain agreement dated the 23rd day of April, 1914, between said Electrical Properties, Limited, and the Northern Company, and

Whereas, it is desired by all parties to this agreement that so far as practicable the title to all patents in Canada and Newfoundland for inventions heretofore acquired, and hereafter acquired during the term of this agreement, by said parties or any of them shall be held in the name of the International Company, subject to certain licenses herein specified to the Northern Company and the Bell Company of Canada.

Now, therefore, in consideration of the sum of One Dollar ($1.00), by each of said parties paid to the other, the receipt of which is hereby acknowledged, and in further consideration of the covenants and agreements herein contained, it is agreed as follows:

1. The Western Limited and the Northern Company declare the said agreement of the 23rd day of April, 1914, to be terminated as of the day and year first above written.

2. The Western Limited hereby assigns and agrees to assign to the International Company, its successors, assigns, legal representatives and nominees, with the consent of the Northern Company which is hereby given, all right, title and interest of the Western Limited in and to all patents, applications for patents, inventions and patent rights of every description, in and for any and all countries, which said Western Limited now owns or which it may hereafter acquire, during the term of this agreement, including specifically all patents, applications for patents, inventions and patent rights accrued or accruing to it under the said agreement of the 23rd day of April, 1914.

3. The Northern Company hereby assigns and agrees to assign to and surrenders and agrees to surrender unto the International Company, its successors, assigns, legal repre- [fol. 14783] sentatives and nominees, with the consent of the Western Limited which is hereby acknowledged, (subject to the licenses herein granted and agreed to be granted to the Northern Company and the Bell Company of Canada) all right, title and interest of the Northern Company in and to all patents, applications for patents, inventions and exclusive rights under patents and inventions, in and for any and all countries, (including the exclusive licenses under patents and other patent rights granted and agreed to be granted to it by the Electrical Properties Limited in and by virtue of the said agreement of the 23rd day of April, 1914) which the Northern Company now owns; and also all patents, applications for patents, inventions and exclusive patent rights (except the rights herein granted and agreed to be granted by the International Company) which it may hereafter acquire during the term of the present agreement in respect of inventions which have been or shall have been made by the respective employees of the Northern Company or its associated or allied companies and which are acquired during the term of this agreement by the Northern Company without cost or at a merely nominal cost.

4. The Bell Company of Canada hereby assigns and agrees to assign to the International Company, its successors, assigns, legal representatives and nominees (subject to the licenses herein granted or agreed to be granted to the Bell Company of Canada and the Northern Company) all right, title and interest of the Bell Company of Canada in and to all patents, applications for patents, inventions and exclusive rights under patents and inventions, in and for any and all countries, which the Bell Company of Canada now owns, and also all patent applications for patents, inventions and exclusive patent rights which it may hereafter acquire during the term of this agreement in respect of inventions which have been or shall have been made by the respective employees of the Bell Company of Canada or its associated or allied companies and which are acquired or shall have been acquired during the term of this agreement by the Bell Company of Canada without cost or at a merely nominal cost.

5. The Northern Company and the Bell Company of Canada each for itself agrees that as to all patents, appli- [fol. 14784] cations for patents, inventions and patent rights (except non-exclusive, non-assignable licenses) which may hereafter be acquired by it at more than a nominal cost, or be submitted to it for purchase, it will promptly notify the International Company thereof and of the cost or price thereof, and will upon written request of the International Company assign the same (if already acquired) to the International Company at the actual cost thereof, or purchase the same (if submitted for purchase) for the International Company at the latter's expense.

6. The International Company hereby grants and agrees to grant to the Northern Company and to the Bell Company of Canada, severally, licenses to make, use and sell under all patents of the Dominion of Canada and Newfoundland, which the International Company now owns or which it may hereinafter own, or in respect of which it has or may hereafter acquire the right to grant such licenses, for inventions which have been or which may during the term of this agreement be acquired by the International Company from its employees, or from any of its associated or allied companies, where such inventions have been or shall have been acquired without additional cost for the Canadian and Newfoundland rights (including those inventions which it has acquired or shall hereafter acquire under and by virtue of the present agreement); such licenses to the Northern Company during the term of this agreement to be exclusive (except for the licenses herein granted to the Bell Company of Canada and except for such compulsory licenses as the laws of Canada and Newfoundland may require to be granted to others), and to be non-exclusive from and after the termination of this agreement until the ends of the terms of such patents respectively; and such licenses to the Bell Company of Canada to be non-exclusive during the entire terms of such patents respectively.

* * * * * * *

9. The International Company will regularly furnish the Northern Company and the Bell Company of Canada, copies of specifications of all applications for United States patents covering inventions with respect to which said Companies are or will be entitled to licenses under this agree-

ment, and will consider any suggestions received from [fol. 14785] either of said Companies as to the advisability of taking and maintaining patents in Canada and Newfoundland for such inventions, and as to the advisability of purchasing patents, applications, inventions and patent rights for Canada and Newfoundland or of conducting litigation upon or involving the same, but the decision of all questions relating to such matters shall remain with the International Company, except that the International Company shall be bound to take out and to maintain patents in Canada and Newfoundland for any such inventions when requested so to do by the Northern Company, or the Bell Company of Canada, so far as this is possible.

10. The Northern Company agrees to reimburse the International Company for all actual expenses incurred in preparing, filing and prosecuting applications for Canadian and Newfoundland patents, in maintaining and renewing such patents, and also for any reasonable expense which may be incurred by the International Company in acquiring rights to patent in Canada and Newfoundland inventions of its employees or employees of its associated or allied companies, in litigation upon or involving such patents, in studies and investigations relating to Canadian or Newfoundland patents or patent rights of others, and in defense of suits upon such patents; payment for all such expenses to be made by the Northern Company within thirty days from receipt of the bill therefor from the International Company.

11. This agreement shall continue in force until terminated by not less than one year's prior written notice by any party to the others of its election to cancel the same.

In addition to the portions of this contract printed in full above, it contains, in substance, the following provisions:

Sections 1 to 6, inclusive, are printed in full above.

Section 7. The International agrees that, as to all patents or patent rights for Canada or Newfoundland, which it may hereafter acquire at more than a nominal cost or which may be submitted to it for purchase, it will notify the Northern Company and the Bell Company of Canada thereof and upon request of either or both of said Companies, grant to or purchase for said Companies, a license [fol. 14786] similar in scope and character, so far as pos-

sible, to the license granted herein to such Companies provided that that Company or those Companies so requesting shall pay the International Company the actual cost of the rights so acquired (p. 4-5).

Section 8. Each of the parties to the contract will make arrangements with its employees who are in position where they may be reasonably expected to make inventions whereby said employees will agree to assign to such party for nominal consideration, all rights to such inventions made in the course of their employment (p. 5).

Sections 9, 10, 11 are printed in full above.

EXHIBIT X-381

This agreement, made this 16th day of May, 1923, between the American Telephone and Telegraph Company, a New York corporation (hereinafter called the American Company), Western Electric Company, Incorporated, a New York corporation, (hereinafter called the Western Company), International Western Electric Company, Incorporated, a Delaware corporation, (hereinafter called the International Company), Northern Electric Company, Limited, a corporation of the Dominion of Canada, (hereinafter called the Northern Company) and the Bell Telephone Company of Canada Limited, a corporation of the Dominion of Canada (hereinafter called the Bell Company), witnesseth:

Whereas, by an agreement dated the 27th day of August, 1919, between the International Company, the Northern Company, the Bell Company and Western Electric Company, Limited, a corporation of the Dominion of Canada, the International Company agreed, among other things (1) to grant certain licenses to said Northern Company and said Bell Company under its patents in Canada and Newfoundland, (2) to furnish regularly to the Northern Company and the Bell Company copies of specifications of all applications for United States patents covering inventions with respect to which said last-named companies would be entitled to licenses under said agreement, and (3) upon the terms therein stated to take out and maintain patents in Canada and Newfoundland for any such inventions; and

[fol. 14787] Whereas, by a certain commercial agreement dated the 1st day of January, 1919, between said Inter-

national Company and said Northern Company, the International Company appointed said Northern Company its exclusive distributor for the sale in Canada and Newfoundland of merchandise which the International Company might have the right to sell for export, and the International Company agreed, among other things, to sell such merchandise to said Northern Company at certain favorable terms as set forth in said contract, and agreed to perform certain services for said Northern Company, and said Northern Company agreed to pay to the International Company certain compensation for such services and for licenses under patents; and

Whereas, each of said agreements of August 27, 1919, and January 1, 1919, by its terms is terminable upon one year's prior written notice by either party thereto to the other; and

Whereas, by an agreement of even date herewith between the American Company and said Bell Company, the American Company agrees, among other things, to furnish copies of specifications of applications for certain United States patents, which may be filed by the American Company or said Western Company, and upon request of the Bell Company to patent or cause to be patented in Canada and Newfoundland such of said inventions as it may have the right to have so patented, and to grant or cause to be granted to said Canadian Company licenses thereunder, it being further provided in said agreement that the American Company, if and so long as it elects so to do, may perform the obligations above referred to (recited in the second section of said contract) through an arrangement to be made by it with the International Company; and

Whereas, the American Company and the Western Company are each entitled to certain rights in respect of patents and inventions of the other, in the United States of America, under and by virtue of a certain contract dated February 6, 1882, between The American Bell Telephone Company and the Western Electric Company, and an amendatory agreement between the same parties dated April 8, 1908, the American Company having succeeded to the rights and obligations of said The American Bell Telephone Company thereunder, and the Western Company [fol. 14788] having succeeded to the rights and obligations of the Western Electric Company;

Now, therefore, in consideration of the premises and of the sum of One Dollar by each of said parties paid to the other, it is agreed as follows:

1. For the purposes of this contract, the term 'patent rights' shall be construed to include patents, applications for patents, inventions and transferable patent rights and licenses, unless it shall be clear from the context that this construction of it is inapplicable.

2. The American Company and Western Company assign and agree to assign to the International Company (subject to the rights which the American Company and the Western Company each reserves to itself) all right, title and interest which said American Company and said Western Company now have or may during the term of this agreement acquire in, to and under all patent rights in or for Canada and/or Newfoundland and (except those relating solely to trans-oceanic submarine cables or to methods or machinery for the manufacture thereof, or to terminal equipment for such cables); provided, however, that as to all of such patent rights acquired by the American Company or the Western Company at more than a nominal cost, and as to all of such patent rights submitted during said term to either of said companies for purchase, the American Company and the Western Company severally agree that they will promptly notify the International Company thereof and of the cost or price thereof, and they shall only be bound to assign the same (if already acquired) or to purchase the same for the International Company, upon written request made by the International Company, within a reasonable time after such notice, not exceeding six months, and upon payment by the International Company of the actual cost thereof, such assignments in all cases to be subject to the rights which the American Company and the Western Company each reserves to itself, as hereafter stated.

3. The American Company and the Western Company each reserves to itself and its successors the right to make, use and sell and to license others to make, use and sell under all of the patent rights assigned and to be assigned by them respectively under this contract, such reserved rights [fol. 14789] to be exclusive with respect to trans-oceanic

submarine cable, parts thereof, terminal equipment therefor and machinery for the manufacture thereof, and such reserved rights to be otherwise non-exclusive; but this reservation shall not be construed to restrict the other parties hereto in the use for other purposes (as, for example, in short distance submarine telephone cables across rivers and bays) of inventions which may be applicable both to the subject matter for which said reserved rights are exclusive and also to such other purpose.

4. The International Company assigns and agrees to assign to the Western Company (subject to a non-exclusive assignable license to make, use and sell which is hereby reserved to the International Company) all the right, title and interest which it now has or may acquire during the term of this agreement from the Bell Company or the Northern Company in, to and under all patent rights in or for the United States of America; provided, however, that as to all of such patent rights hereafter acquired by the International Company at more than a nominal cost, and as to all of such patent rights submitted during said term to the International Company for purchase, the International Company agrees that it will promptly notify the Western Company thereof and of the cost or price thereof, and it shall only be bound to assign the same (if already acquired) or to purchase the same for the Western Company within a reasonable time after such notice not exceeding six months and upon payment by the Western Company of the actual cost thereof.

5. It is agreed between the American Company and the Western Company that the said contract of February 6, 1882, as amended by the agreement of April 8, 1908, shall apply to all patent rights acquired by the Western Company under this agreement, and that the respective rights of the American Company and the Western Company in all such patent rights shall be determined in accordance with said agreement, provided, however, that nothing herein contained shall prevent any modification or termination of said contract of February 6, 1882, and said amendatory agreement, by mutual consent of the American Company and the Western Company.

[fol. 14790] 6. The American Company and the Western Company each agrees that as and whenever it shall here

after file or acquire any application for United States patent for an invention in respect of which it shall have or shall be entitled to acquire right for Canada or Newfoundland (which rights, if acquired, it would be obligated by this contract to assign to the International Company) it will promptly and regularly and of its own initiative furnish to the International Company without charge a copy of the specification and drawing of each such application, and will also furnish at cost such additional copies thereof as the International Company may require, and will, upon request made by the International Company at any reasonable time thereafter, execute and use all reasonable efforts to cause to be executed all necessary papers and documents, including applications for patents in Canada and Newfoundland for such inventions and will give all reasonable assistance and do all acts which may be reasonably required to enable the International Company to take out and maintain in its own name patents in Canada and Newfoundland for all such inventions: provided, however, that the International Company shall reimburse the American Company and the Western Company for all expenses which may be incurred by them respectively, in connection with the performance of the acts so requested by the International Company, and provided further, that if the American Company and the Western Company shall in good faith endeavor to complay with the agreements in this paragraph contained, neither of said companies shall be liable for any mistake, delay, neglect or default of their respective employees or others in connection with such matters.

7. Under all patents, applications for patents, inventions and patent rights received by the International Company from the American Company or the Western Company under this agreement, the Bell Company and the Northern Company (subject to the reservations stated in Section 3 hereof) shall have the same rights and the same obligations as under the patents covered by the said contract of August 27, 1919, and it is agreed between the International Company, the Bell Company and the Northern Company that said contract of August 27, 1919, shall be and remain in full force and effect for the entire term of this [fol. 14791] agreement, notwithstanding anything in said agreement of August 27, 1919, to the contrary.

8. During the term of this agreement the Northern Company waives the right given to it in said commercial agreement dated January 1, 1919, to terminate said agreement as therein provided; but the right of the International Company to terminate said commercial agreement shall continue unaffected by this agreement.

9. For the purpose of this contract and all other contracts hereinbefore mentioned between any two or more of the parties hereto, in determining whether the cost of patents, applications, inventions or rights is more than "nominal", such cost shall be deemed to include only the amounts actually paid for the assignment of such patents, applications, inventions or rights and the actual expense of preparing, filing and prosecuting patent applications and obtaining patents in the country in respect of which the rights are to be assigned; that is to say, such items as the regular salaries paid to employees who are inventors and the expense incurred by any of the parties hereto in development of the inventions, shall not be taken into account.

10. A compliance by the American Company with this agreement shall constitute the performance of its obligations to the Bell Company under sections second and third of said agreement of even date herewith between them.

11. This agreement shall terminate contemporaneously with the termination of the said agreement between the American Company and the Bell Company of even date herewith, whether said agreement be terminated by lapse of time or otherwise.

* * * * * * *

EXHIBIT X-382

Know all men by these presents that International Western Electric Company, Incorporated, a corporation of the State of Delaware, hereinafter called the Assignor, for and in consideration of One Dollar to it duly paid by Western [fol. 14792] Electric Company, Incorporated, a corporation of the State of New York, hereinafter called the Assignee, has bargained, sold, assigned, granted and conveyed and by these presents does bargain, sell, assign, grant and convey unto the Assignee all its right, title and interest in, to and under a certain agreement in writing between the Assignor and Northern Electric Company, Limited, a corporation of

the Dominion of Canada, dated January 1, 1919, wherein and whereby the Assignor and said Northern Electric Company, Limited, reciprocally appointed each other as their exclusive distributor for the sale of merchandise, the said appointment being exclusive as to said Northern Electric Company, Limited, in the Dominion of Canada and Newfoundland, and exclusive as to the Assignor in all countries outside the Dominion of Canada and Newfoundland.

To have and to hold the same unto the said Assignee, its successors and assigns for its and their use and benefit forever.

And the Assignor does hereby authorize and empower the Assignee, upon performance of the covenants and conditions in said agreement contained, to have, demand and receive the performance by said Northern Electric Company, Limited, on its part, of the terms and conditions of said agreement, to the same extent that the Assignor might have, demand and receive performance thereof had this assignment not been made.

* * * * * * *

EXTRACTS FROM EXHIBIT X-383

Agreement, made this 26th day of June, 1925, between Western Electric Company, Incorporated, a New York corporation, hereinafter called the Western Company, and Victor Talking Machine Company, a New Jersey corporation, hereinafter called the Victor Company, witnesseth:

Whereas, the Western Company has produced and developed certain improved acoustic reproducing and/or acoustic amplifying apparatus for reproducing sound by mechanical means, which apparatus, including certain improvements in the sound box, tone arm, amplifying horn and other parts, is hereinafter referred to as acoustic ap- [fol. 14793] paratus and is adapted for use in mechanical phonographs or mechanical talking machines (meaning thereby machines for reproducing sounds from phonograph records in which a stylus moved by the record vibrates a diaphragm or other vibratory member by means of a mechanical connection thereto), and certain parts of said acoustic apparatus, such as the tone arm and amplifying horn, are also capable of use in or in connection with electrical phonograph or electrical talking machines (meaning

thereby machines for electrically reproducing sound from phonographs or talking machine records), and also as acoustic amplifiers for the loudspeaker units of radio receiving sets; and the Western Company represents that it has acquired certain applications for United States patents and rights in respect of inventions relating to said acoustic apparatus, as follows:

Application Serial Number	Filed
603,005	November 24, 1922
610,977	January 6, 1932
628,168	March 28, 1923
662,387	September 13, 1923
668,891	October 16, 1923
678,935	December 6, 1923
728,996	July 30, 1924
756,409	December 17, 1924
757,277	December 20, 1924
759,182	December 31, 1924
33,619	May 29, 1925

copies of which applications have been furnished to the Victor Company, together with such information as the Western Company has available with reference to the pertinent outstanding patents; and

Whereas, the Victor Company having examined said acoustic apparatus and having witnessed demonstrations thereof in connection with mechanical talking machines is desirous of acquiring licenses of the character and scope hereinafter stated, in respect of said inventions or improvements of the Western Company and such other inventions and improvements relating to mechanical talking machines as the Western Company and/or the American Telephone and Telegraph Company (a New York corporation) may hereafter develop or acquire during the term of this agreement; and the Victor Company also desires to obtain the [fol. 14794] engineering assistance and advice of the Western Company and the benefits of its experiments and laboratory development work relating to mechanical talking machines to the end that the Victor Company may obtain the advantages thereof during the continuance of this agreement in connection with the Victor Company's business;

Now, therefore, in consideration of the covenants and agreements herein contained and the licenses herein granted and agreed to be granted, and in further consideration of the initial payment by the Victor Company to the Western Company of the sum of One Hundred Thousand Dollars ($100,000), the receipt of which is hereby acknowledged, the parties hereto agree as follows:

Article I

Engineering and Technical Information and Assistance.

1. The Western Company agrees that it will at its own cost and expense promptly after the execution of this agreement furnish to the Victor Company:

(a) drawings, specifications, full data and information concerning the mechanical phonographs or talking machines and parts therefor heretofore developed by the Western Company, and

(b) one complete sample of each phonograph or talking machine part or one complete phonograph or talking machine embodying the same of each of the Western Company's present preferred types of such talking machine or parts in each size which the Victor Company may reasonably require.

2. The Western Company further agrees that it will from time to time hereafter during the continuance of this agreement at its own cost and expense furnish to the Victor Company:

(a) drawings, specifications and full data and information concerning all further inventions and improvements in or adapted for use in mechanical phonographs or talking machines which the Western Company and/or the American Telephone & Telegraph Company may hereafter produce or acquire, and which may be of advantage for commercial manufacture and sale, and

[fol. 14795] (b) one model of each device containing such inventions or improvements, if required by the Victor Company,

to the end that the Victor Company may at all times during the continuance of this agreement be in complete possession of full information regarding such inventions and improve-

ments and the manufacture thereof, within a reasonable time after the Western Company and/or said American Telephone & Telegraph Company shall have produced, developed or otherwise acquired the same.

• • • • • • •

5. If any suit, action or proceeding based upon the claim that the manufacture, use and/or sale of the said acoustic apparatus as embodied in the samples to be furnished by the Western Company under Paragraph (b) of Section 1 of Article 1 hereof constitutes an infringement of any Letters patent of the United States should be brought against the Victor Company and/or any of the purchasers of its goods, the Western Company will at its own cost and expense furnish the services of a practical engineer or expert to assist in the defense of said suit, action or proceeding; and the Western Company will also furnish the Victor Company at the Western Company's own cost and expense all information in its possession or available to it which may be useful in the defense of said suit, action or proceeding.

Article II

Licenses to the Victor Company

1. The licenses herein granted and agreed to be granted by the Western Company are under all United States patents and applications for United States patents for inventions or improvements (whether machines, processes or compositions of matter) relating or applicable to mechanical phonographs or talking machines or parts thereof or to machines, processes or compositions of matter applicable to the manufacture thereof, which are now or which may during the continuance of this agreement be owned or controlled by the Western Company and/or the American Telephone & Telegraph Company or in respect of which said [fol. 14796] companies or either of them now has or during the continuance of this agreement may acquire the right to grant such licenses, specifically including all of the applications recited in the preamble hereof.

• • • • • • •

5. With the reservations and exceptions aforesaid the Western Company hereby grants and agrees to grant to the Victor Company licenses for the continental United States,

Alaska and Hawaii under the patents and applications referred to in Section 1 of this Article II:

(a) to make, use and sell for entertainment and/or educational purposes mechanical phonographs or talking machines and parts for use in such mechanical phonographs or talking machines including, but without limiting the generalty of the foregoing, sound boxes, needles, tone arms and/or horns (parts being licensed for sale separately for use only in mechanical phonographs or talking machines heretofore or hereafter manufactured or sold by the Victor Company and/or its sublicensees hereunder); and

(b) to use methods and to make and use machines and compositions of matter for the manufacture of the apparatus described in (a) of this section and the talking machines or phonographs and acoustic parts referred to in paragraph (a) of Section 6 of this Article, so far as and to the extent that the Western Company and/or the American Telephone and Telegraph Company have or may acquire the right to grant such licenses in view of their existing contractual obligations to the General Electric Company under a certain license agreement with the latter dated July 1, 1920.

6. With the reservations and exceptions aforesaid the Western Company also hereby grants and agrees to grant to the Victor Company licenses for the continental United States, Alaska and Hawaii under the patents and applications for patents referred to in Section 1 of this Article II:

(a) To manufacture mechanical talking machines or phonographs and/or acoustic parts thereof, such as the horns, tone arms and sound boxes for assembly for use for entertainment and/or educational purposes (1) in combination with radio receiving apparatus or parts thereof and/or [fol. 14797] (2) in combination with devices or parts thereof for the electrical reproduction of sound from commercial talking machine records.

(b) To assemble, use and sell said combinations for entertainment and/or educational purposes, and

(c) to sell said acoustic parts for repair and/or replacement purposes, and

(d) to sell complete mechanical phonographs or talking machines (but not parts thereof separately) for assembly

in whole or in part in such combinations by wholesalers, jobbers, dealers or users,

provided, however, that so far as any of said radio apparatus and said devices for the electrical reproduction of sound or any of said combinations are or shall be covered by patents or applications for patents of the Western Company or the American Telephone and Telegraph Company all of said radio receiving apparatus and parts thereof and all said devices and parts thereof for the electrical reproduction of sound so assembled, used or sold (other than those which the Victor Company is licensed to manufacture in Paragraph (a) of this Section 6), shall be licensed for assembly, sale and use in such combinations by any person, firm or corporation having the right to grant such licenses in respect of such combinations.

The licenses granted and agreed to be granted in this Section 6 are limited as herein stated for the reason that the Western Company represents that it has heretofore granted to others certain exclusive licenses with respect to radio receiving apparatus and desires to retain the right to grant exclusive licenses with respect to electrical phonographs or talking machines, to which its said inventions in acoustic apparatus may be applicable.

7. The licenses to the Victor Company referred to in paragraph (a) of Section 5 of this Article are and shall be exclusive to the Victor Company within the restricted field for which said licenses are expressed as granted, except that the Western Company reserves the right within two years after December 31, 1926, to grant non-exclusive non-assignable licenses within the same field (and for all or any part of the terms of the respective patents) to the Columbia Phonograph Company, Inc., if the latter Company is actu- [fol. 14798] ally engaged in the business of manufacturing and selling phonographs or talking machines at the time within said two years period when such licenses shall be granted to it. Nothing herein contained shall be construed to restrict or limit the Western Company in granting licenses or in exercising rights for fields, uses and purposes outside of those stated in said paragraph (a) of said Section 5.

* * * * * * *

Article IV

Royalties to be Paid by the Victor Company

1. The Victor Company agrees, subject to the provisions hereof, to pay to the Western Company as compensation for the licenses herein granted and agreed to be granted and for the technical information and assistance to be rendered by the Western Company hereunder a royalty upon all apparatus which may hereafter be sold, leased or put into commercial use by the Victor Company under this license and agreement and by its sub-licensees under sub-licenses granted hereunder, embodying any of the inventions or improvements licensed or agreed to be licensed to the Victor Company under Paragraph (a) of Section 5 and under Section 6 of Article II. Said royalty shall (except as hereinafter expressly provided) be based upon the total sales of such apparatus under this license during each "royalty period" during the continuance hereof (the first royalty period being from the date hereof to January 1st, 1927, and each succeeding twelve months' period of the continuance of this agreement being a royalty period), the rates of royalty payable upon such sales during each royalty period being in accordance with the following schedule:

Upon the first $2,000,000 of such sales in each royalty period	5%
Upon the second $2,000,000 of such sales	4%
Upon the third $2,000,000 of such sales	3%
Upon the fourth $2,000,000 of such sales	2%
Upon all such sales above $8,000,000	1%

The expression "total sales" as used herein means the total amount realized by the Victor Company and its sub-[fol. 14799] licensees during each royalty period as the sales price, rental or other compensation for said apparatus, so sold, leased or put into commercial use by them hereunder.

2. The Western Company agrees to credit the said initial payment of One Hundred Thousand Dollars ($100,000) made by the Victor Company to the Western Company upon the execution of this agreement against royalties accruing hereunder on account of said apparatus so sold, leased or

put into commercial use hereunder during the first royalty period as above defined.

. . . . . .

8. The Victor Company agrees, subject to the provisions hereof, to pay to the Western Company as royalty for the first royalty period aforesaid a minimum of One Hundred Thousand Dollars ($100,000)—against which the Western Company shall credit as before stated the said initial payment of One Hundred Thousand Dollars ($100,000) made by the Victor Company upon the execution of this agreement and recited as part of the consideration hereof—and the Victor Company further agrees, subject to the provisions hereof, to pay to the Western Company as royalty for each succeeding twelve months' royalty period (after said first royalty period) during the further continuance of this agreement a minimum of One Hundred Thousand Dollars ($100,000). The amount (if any) necessary in addition to the royalty accruing at the regular rates for each twelve months' period in order to make up said minimum of One Hundred Thousand Dollars ($100,000) for that period shall be payable at the time the last quarterly statement covering such period is due. Royalties paid by the Victor Company in excess of One Hundred Thousand Dollars ($100,000) for any such royalty period shall not be credited against the minimum required for any other period.

. . . . . .

Article XII

Duration and Termination of Agreement, Its Construction and Assignability

1. This agreement, unless otherwise terminated as herein provided, shall continue in force until January 1st, 1936, [fol. 14800] and thereafter until terminated by either party on six months' written notice to the other of intention to terminate the same, and upon the expiration of said period of six months from such notice this agreement shall terminate, provided that no such notice shall be given by the Western Company prior to January 1st, 1941, and upon the expiration of said period of six months from such notice this agreement and all licenses herein granted and agreed

to be granted and all obligations of the respective parties hereunder shall terminate, except as herein otherwise specifically provided.

* * * * * * *

The undersigned American Telephone and Telegraph Company, a New York corporation, hereby consents to the foregoing agreement and to the extent of its interest in the patents, applications for patents and inventions in respect of which licenses are therein granted and agreed to be granted by Western Electric Company, Incorporated, to Victor Talking Machine Company, hereby grants to said Western Electric Company, Incorporated, the right to grant said licenses.

American Telephone and Telegraph Co., by W. S. Gifford, President. Attest: A. A. Masters, Secretary. (Seal.)

In addition to the portions of this contract printed in full above, it contains, in substance, the following provisions:

Section 3. Western agrees from time to time upon the request and at the expense of Victor, to furnish special assistance and advice in connection with manufacturing methods, and such other data as it may be in a position to furnish in connection with the design, manufacture and use of acoustic apparatus under the licenses granted, also such additional models or samples of said acoustic apparatus adapted for use under the licenses and embodying Western's present or future improvements as Victor may order, also the services of an experienced engineer to assist Victor. (p. 9). Section 4. In connection with the services rendered under section 3, Victor agrees to pay Western the complete cost incurred by Western. Section 5 quoted in full above.

[fol. 14801] Article II

In section 2 it is recognized that the inventions of some of said patents and applications may be applicable to other apparatus than that which Victor is licensed to make, use and sell hereunder, and said licenses do not cover all embodiments of said inventions but are limited to the particular embodiments for which said licenses are expressed as

granted. Section 3. No rights granted for talking motion pictures or for phonograph or talking machines for other than entertainment and educational purposes (p. 12). Section 4. No rights granted for export except to Hawaii and Alaska without consent of International Western Electric Company. Sections 5, 6 and 7 quoted in full above. Section 8. Victor has the right to grant sub-licenses to others except to Columbia Phonograph Company, until after December 31, 1928, but Victor shall remain responsible for the payments of royalties under such sub-licenses. Section 9. Termination of agreement does not terminate right of Victor to use and sell apparatus manufactured prior to such termination or in course of manufacture (pp. 11-16).

Article III

Licenses to Western Electric Company

Section 1. Victor Company will, upon written request of Western, at any time during the period of the agreement or within five years after its termination, grant to Western and to the American Telephone and Telegraph Company non-exclusive licenses under all United States patents for improvements in acoustic apparatus which are or shall during the continuance of the agreement be owned or controlled by Victor or concerning which it may acquire the right to grant such licenses to manufacture, use and sell the inventions covered by said patents in the field of electrical transmission and electrical reproduction of sound so far as said inventions are or may be applicable to said fields. No rights agreed to be granted to Western or American Company to manufacture, use or sell phonographs or talking machines of any kind. Licenses granted to Western or the American Company are to be free of royalties or other considerations than this agreement for the entire terms of the respective patents, and shall be as- [fol. 14802] signable only to the successors in business of the Western Electric Company or of the American Company; nothing in Article III to be construed as requiring Victor to grant any licenses contrary to the terms of an agreement between it and the Radio Corporation of America dated May 16, 1925.

Article IV

Sections 1 and 2 printed in full above. Section 3. The royalties payable under the contract with respect to machines, the selling price of which is $45 or less and which embody no inventions of Western or of the American Company except in the sound box shall be based upon 33⅓ per cent only of such selling price except that as to phonographs and talking machines that Victor had in stock at the time of the contract, the only royalty shall be at the rate of 25 cents upon each (pp. 18 and 19). Section 4. Talking machines or phonographs not embodying inventions licensed hereunder except those relating to needles or as to which Victor has not had previous notice in writing of the rights of Western or of the American Company shall not be subject to any royalty, except as to the specified royalty on needles provided in the contract (p. 19). Section 5. No royalty shall be payable upon tungsten needles or other needles embodying no inventions licensed under the contract. Other needles embodying patentable inventions or improvements licensed under the contract shall, except when furnished with phonographs, be subject to royalties in the same way as replacement parts (p. 19). Royalties payable with respect to combination apparatus referred to in section 6 of Article II shall be based upon ½ only of Victor's selling price of the complete combined apparatus, provided that Victor shall pay royalties only for and to the extent that its rights to manufacture are dependent upon the present agreement as distinguished from rights independently acquired. If Victor's right to manufacture is based in part upon rights granted under the contract and partly upon rights gained independently, royalties shall be based upon ¼ only of Victor's selling price. If rights to manufacture or sell apparatus covered by the present or future patents of Western or of the American Company have or shall be acquired independently of the [fol. 14803] present agreement by Victor from others to whom Western or the American Company have granted such rights, then such apparatus shall not be subject to royalty under the present contract (pp. 20 and 21). No apparatus shall be subject to more than one royalty and resales of apparatus shall not be subject to royalty. Section 8 printed in full above (p. 21). Section 9 grants Victor certain relief in case of interruption of its rights to use

licenses obtained by injunction (pp. 22 and 23). Section 10. Victor agrees to keep accurate records of business done under licenses and Western has right to audit them (pp. 23 and 24). Section 11. In the event that Western or the American Company shall within two years after December 31, 1926, grant any licenses to Columbia Phonograph Company for the manufacture, use and sale in the United States of mechanical phonographs upon terms more favorable as to rates of royalty or minimum royalty than those payable by Victor hereunder, the rates or minimum royalties of Victor provided in this contract shall thereafter be reduced so as to become as favorable as those given to the Columbia Company.

Article V provides for termination of the contract in case of default by Victor (pp. 24-25). Article VI grants Victor right, if patents are not protected by Western, to submit question to arbitration and if it is then found that the rates or minimum royalties are unfair because of such failure to protect, Victor may terminate the agreement or reduce the rates of payment accordingly. Upon the termination of this agreement, Victor shall be free to dispute and contest the validity and scope of all patents for which licenses are given (pp. 25-27). Article VII provides for the marking of apparatus manufactured by it under terms of the contract (pp. 27-28). Article VIII. Western warrants its right to grant licenses to Victor Company as expressed in section 5 of Article VII (pp. 28-29). Article IX provides for limited liability in case of strikes, etc. Article X provides for addresses for notices (pp. 29-30). Article XI provides for arbitration.

EXTRACTS FROM EXHIBIT X-385

Agreement made this 18th day of March, 1925, between Western Electric Company, Incorporated, a New York cor- [fol. 14804] poration, hereinafter called the Western Company, and Victor Talking Machine Company, a corporation of the State of New Jersey, hereinafter called the Lessee.

• • • • • • •

1. The Western Company agrees promptly to furnish and install at the Laboratories of the Lessee at Camden, New Jersey, one complete electrical sound recording equip-

ment, comprising the apparatus set forth in the schedule attached hereto and marked "Schedule A", of the Western Company's latest standard type, embodying such inventions and improvements of the Western Company as in the judgment of its Engineers are most practicable and necessary for use at the Lessee's said laboratories to record sounds upon master records to be used in the manufacture of commercial phonograph records. The said sound recording equipment is to remain the property of the Western Company, and the lessee is hereby given the right, subject to the conditions and agreements herein contained, to use the same during the term of this agreement for the purpose of sound recording in the production of master phonograph records, and for no other use or purpose.

• • • • • • •

4. The Western Company agrees (without limitation to the term of this agreement) that it will, at its own expense, defend any and all actions and suits that may at any time be brought against the Lessee or its customers for infringement of patents by reason of the employment by the Lessee of methods, systems and/or equipment of the Western Company hereunder, for the purposes and in the manner contemplated by this agreement, and will pay and satisfy all judgments and decrees for profits, damages and/or costs which may be finally awarded against the Lessee or its customers by the court of last resort in any such action or suit, on account of any such infringement; provided, however, that the Western Company's liability shall be limited to the amount of the initial payment and royalties actually received by it hereunder, plus fifty per cent (50%) of the excess of any such judgments or decrees over said amount, the Lessee hereby assuming the payment of the remainder of any such judgments or decrees, and provided further that the Western Company shall have been given prompt [fol. 14805] notice of any such actions, suits and claims of infringement and full opportunity to defend the same; and

In the event that the use contemplated by this agreement of any apparatus as furnished by the Western Company to the Lessee hereunder shall be prevented by injunction or restraining order, the Lessee may at its option, within one hundred twenty (120) days of such injunction or restraining order, either (a) terminate this agreement by notice in writing to the Western Company to that effect

or (b) indicate to the Western Company by notice in writing its willingness to share equally with said Western Company the cost of obtaining necessary rights by purchase or on a royalty basis under the patent or patents upon which such injunction or restraining order is based and in the event that the Western Company declines or refuses to share such cost, it shall serve written notice thereof on the Lessee and the Lessee shall have the right within ten days thereafter to terminate this agreement as in (a) (Exhibit X-385) hereinabove provided.

In the event that the Lessee shall terminate this agreement as hereinabove provided in options (a) or (b) during the first fifteen months of the term hereof the Western Company shall refund to the Lessee a portion of the initial payment of Fifty thousand dollars ($50,000), which portion shall be in the same ratio to the entire initial payment as the unexpired portion of said first fifteen months of the term hereof is to said entire first fifteen months.

Should the use of a portion or item of any apparatus furnished by the Western Company hereunder to the Lessee be prevented by injunction or restraining order, and should the Lessee at its sole cost acquire rights or licenses under the patent or patents upon which such injunction or restraining order is based, it is the intention hereof that the parties hereto shall thereupon endeavor to mutually agree upon fair and equitable modifications in the scale of royalties thereafter to be paid by the Lessee to the Western Company during the remainder of the term hereof.

Provided that the agreements in this section contained shall not apply to any infringement or claim of infringement relating to phonograph records themselves except [fol. 14806] insofar as the Western Company's method or system is involved therein, or to the methods or apparatus which are not furnished or approved in writing by the Western Company for the electrical recording of sound, or to any infringement or claim of infringement relating to combinations which involve apparatus not furnished or approved in writing by the Western Company hereunder; and

Provided, further, that the liability of the Western Company in respect of patent infringements shall be limited to the agreements in this Section 4 contained.

. . . . . .

7. The Lessee agrees that all master records or other records used in the production of commercial records, upon which sounds are directly or indirectly recorded by use of the methods, apparatus or equipment of the Western Company (as distinguished from commercial records manufactured by impression or otherwise from such master records or other records) will be at all times, without limitation to the term of this agreement, for the Lessee's exclusive use in the manufacture of commercial records by or for the Lessee, itself, in the Continental United States of America, Alaska and Hawaii, and the Lessee agrees not to permit, except as hereinafter provided, any such master records or other records except commercial records, to be shipped outside the Continental United States, Alaska or Hawaii, or to be used in any manufacture of commercial records for others than the Lessee itself;

• • • • • • •

8. The Lessee agrees to furnish to the Western Company full and accurate quarterly statements within forty-five (45) days after the end of each quarter of each twelve months' period of the term of this contract, showing the total number of commercial phonograph records as distinguished from master records (and the term "master records", wherever used in this agreement, shall be interpreted to mean any records used or employed in any manner, in, or in connection with, the manufacture of commercial records), sold by the Lessee during the preceding quarter, which shall have been manufactured from or in accordance with any master records produced directly or indirectly by the use of the Western Company's apparatus, [fol. 14807] equipment, methods, inventions or improvements, and the Lessee shall pay to the Western Company a royalty on its annual sales of such commercial records in accordance with the following schedule (the amount of said initial payment of Fifty thousand Dollars ($50,000) except as provided to the contrary in Section 4 hereof, being credited against royalties accruing in accordance with said following table during the first fifteen months from and after the date of this contract);

1. On each of the first five million records sold in any twelve months' period of the term of this contract, one (1) cent per record;

2. On each of the second five million records sold in any such twelve months' period, three-quarters (¾) of one cent per record;

3. On each of the next ten million records sold in any such twelve months' period, one-half (½) of one cent per record;

4. On each record sold in excess of twenty million in any such twelve months' period, one-quarter (¼) of one cent per record.

The term "record" as used in the royalty schedule just preceding shall be read as "commercial record", whether said record embodies one or two recorded surfaces. Royalty shall be computed upon the basis of the sales of each twelve months' period separately and not upon the basis of cumulative sales from year to year. The Lessee shall, however, have the right to deduct and to receive credit for, at the average rate of royalty ascertained by application of the above schedule of rates to the total sales for the year in which the records are returned in making its statements of royalties to the Western Company, all records which are returned in exchange or because of being damaged, broken or otherwise rendered unsalable or for any other reasons which are in accordance with the Lessee's usual trade practices. If the Western Company should at any time during the term of this agreement grant to others in the United States of America rights similar to those herein granted to the Lessee upon lower rates of royalty or on more favorable terms than those above specified, then the royalties to be paid by the Lessee hereunder and [fol. 14808] the terms embodied herein shall thereupon and thereafter be modified to conform to such lower rates of royalty and changed terms, provided, however, that the minimum annual royalties required to avoid termination as provided in Section 9 hereof, shall obtain notwithstanding. The Lessee agrees that all accounts rendered by it to the Western Company shall be certified to by the certified public accountants who regularly audit the books of the Lessee, but the Western Company shall have the right at its option and at its own expense, to verify the accounts so rendered to it by the Lessee by examination of the Lessee's records by a certified public accountant or accountants of the Western Company's selection.

Each quarterly statement shall be accompanied by payment of the royalties shown to be due thereby. The Lessee agrees in any event to pay a minimum royalty for each twelve months' period of the term hereof to the Western Company of Fifty Thousand ($50,000) Dollars.

* * * * * * *

18. This agreement, unless otherwise terminated as herein provided, shall continue in force for a period of ten years and three months from date hereof and thereafter until terminated by either party on six months' written notice to the other of intention to terminate the same, and upon the expiration of said period of six months from such notice this agreement shall terminate; provided that no such notice shall be given by the Western Company prior to the expiration of fourteen (14) years and nine (9) months from the date hereof; and provided further that no such termination shall relieve the Lessee from its obligations under Sections 7, 8, 11 and 12 hereof, and all provisions of this agreement respecting the apparatus and equipment furnished by the Western Company to the Lessee prior to such termination shall be and remain binding upon the Lessee at all times.

* * * * * * *

Addition to the portions of this contract printed in full above, it contains, in substance, the following provisions:

Section 1 is quoted in full above.

Section 2. Western agrees to give lessee instructions regarding the use of the equipment furnished and to advise [fol. 14809] lessee from time to time of all improvements made by it relating to the methods, system and apparatus for the electrical recording of sound. Western also agrees to furnish the services of a competent engineer to give technical advice and assistance to lessee. The expenses of the engineer shall be reimbursed to Western by lessee (p. 7-8).

Section 3. Western agrees upon request of lessee to furnish and install additional, complete equipment described in Schedule A, or supplementary or replacing equipment for the same purposes, or equipment necessary to make available to lessee improvements. All such equipment to be subject to the terms of this contract (p. 8-9).

Section 4 printed in full above.

Section 5. Licenses from Western do not relate to the manufacture of commercial records from master records but only to methods and apparatus for receiving, transmitting and recording sounds upon master records from which commercial records may be manufactured (p. 11).

Section 6. Rights granted are non-exclusive and do not include talking motion pictures but are limited to the p' duction and sale of phonograph records for the same general purpose as the commercial records heretofore produced by lessee.

Section 7. In addition to the provisions of this section quoted in full above, it is agreed that nothing permits the lessee to make such master records out of the United States and that lessee will not pass on information or experience as to the manufacture of such master records to any persons or firms except its allied concerns (p. 11-12).

Section 8 printed in full above (p. 13-15).

Section 9. Western may terminate agreement if minimum royalties are not paid but such termination shall be in lieu of all other remedies (p. 15-16).

Section 10. Labels used in connection with records shall contain such notices as may be necessary to protect each and all of the patents involved. The name of the Western may be used on such label (p. 16).

Section 11. Upon termination of the contract, lessee shall be under obligations to pay royalties as to the records then manufactured (p. 16-17).

Section 12. Title of all apparatus to remain in the Western (p. 17).

[fol. 14810] Section 13. Lessee shall return all apparatus to Western upon termination of contract (p. 17-18).

Section 14. Liability limited in case of loss caused by riots and so forth (p. 18).

Section 17. Covers address for notices.

Section 16. Agreement to be construed according to the laws of New York. (p. 19).

Section 17. Provides for Arbitration.

Section 18. Printed in full above.

Section A. List of the apparatus comprising the complete electrical sound recording equipment referred to in the contract (p. 21).

EXTRACTS FROM EXHIBIT X-386

Agreement, made as of the first day of May, 1925, between International Western Electric Company, Incorporated, a Delaware corporation, hereinafter called the International Company, and Victor Talking Machine Company, a New Jersey corporation, hereinafter called the Lessee:

• • • • • • •

1. The International Company agrees promptly to furnish to the Lessee, f. o. b. Camden, New Jersey, one complete electrical sound recording equipment, of the Western Company's latest standard type, comprising the apparatus set forth in the schedule attached hereto and marked "Schedule B" embodying such inventions and improvements of the Western Company as, in the judgment of its engineers, are most practicable and necessary for use in recording sounds upon master records to be used in the manufacture of commercial phonograph records. The said sound recording equipment is to remain the property of the International Company but the lessee is hereby given the right, subject to the conditions and agreements herein contained, to use the same during the term hereof, and to permit its associated and subsidiary companies within said territory to use the same during the term hereof, for the purpose of sound recording in the production of master phonograph records and for no other use or purpose. The term "associated and subsidiary companies" as used in [fol. 14811] this section and elsewhere throughout this agreement, as applying to associated and subsidiary companies of the Lessee, or of allied companies of the Lessee, shall be deemed to mean any company or companies, partnerships or firms engaged in the production and/or sale of phonograph records in said territory, which are owned or controlled by the Lessee or by such allied companies of the Lessee by way of stock ownership or otherwise.

• • • • • • •

4. The International Company agrees, without limitation to the term of this agreement, that it will at its own expense defend any and all actions and suits that may at any time be brought in those portions of said territory particularly specified in Part 2 of "Schedule A" against the Lessee or any other of its associated or subsidiary companies or any of its or their customers for infringement of patents by reason of the employment by the Lessee or any of its associated or subsidiary companies, of the methods, systems and/or equipment covered hereby for the purposes and in the manner contemplated by this agreement and will pay and satisfy all judgments and decrees for profits, damages and/or costs which may be finally awarded against the Lessee and/or any of its associated or subsidiary companies or any of its or their customers by the court of last resort in any such action or suit, on account of an- such infringement, provided, however, that the International Company's liability hereunder shall be limited to the amount of royalty actually received by it in respect of sales made by the Lessee and/or its associated or subsidiary companies in the particular country in which said judgment or decree is rendered, plus fifty (50%) per cent of the excess of any such judgment or decree over said amount, the Lessee indemnifying and saving harmless the International Company from the remainder of any such judgment or decree, and provided further, that the International Company shall have been given prompt notice of any such actions, suits and claims of infringement and full opportunity to defend the same, and provided further that the International Company assumes no liability hereunder in respect of any such actions, [fol. 14812] suits or claims of infringement in any portion of said territory not particularly specified in part 2 of "Schedule A".

* * * * * * *

8. The Lessee agrees to pay to the International Company a minimum royalty of ten thousand ($10,000) dollars for the first fourteen months of the term hereof ending June 30th, 1926, and a minimum royalty of ten thousand ($10,000) dollars for each twelve months thereafter during the term of this agreement. Said minimum royalties for each twelve months' period subsequent to June 30th, 1926, shall be paid by the Lessee in quarter-annual installments of two thousand five hundred ($2,500) dollars each, and

the initial payment of ten thousand ($10,000) dollars hereinabove provided to be made by the Lessee to the International Company shall be applied by the International Company in satisfaction of the minimum royalties above provided for shall be paid to and applied by the International Company in satisfaction pro tanto of royalties payable by the Lessee to the International Company, in accordance with the provisions of this section, for the period in respect of which such minimum royalties shall be payable.

The Lessee shall pay to the International Company a royalty based upon its annual sales, and those of its associated and subsidiary companies in said territory (exclusive of sales to the Lessee or any of its associated and subsidiary companies) of commercial records produced in accordance with the Western Company's methods or systems and/or with the Western Company's apparatus or equipment in accordance with the following schedule.

1. On each of the first two and one-half million records sold in any twelve months' period of the term of this contract, one cent (1¢) per record.

2. On each of the next two and one-half million records sold in any twelve months' period three-quarters (¾¢) of one cent per record.

3. On each of the next five million records sold in any such twelve months' period, one-half (½¢) of one cent per record.

[fol. 14813] 4. On records sold in excess of ten million in any such twelve months' period, one-quarter (¼¢) of one cent per record.

The term "record" as used in the royalty schedule just preceding shall be read as "commercial record" whether said records embody one or more recorded surfaces, and the term "twelve months' period" shall be interpreted to mean first period of fourteen (14) months of the term hereof, ending June 30th, 1926, and each period of twelve calendar months thereafter. Royalties shall be computed on the basis of the combined sales of each period separately of the Lessee and its associated and subsidiary companies throughout the entire territory, and not on the basis of cumulative sales from year to year. The Lessee, how-

ever, shall, in making its statements of royalties to the International Company, have the right to deduct and to receive credit for all records which are returned in exchange or because of being damaged, broken or otherwise rendered unsalable, or for any other reasons which are in accordance with the Lessee's usual trade practices, at the average rate of royalty ascertained by application of the above schedule of rates to the total sales for the period in which such records are returned.

* * * * * * *

9. The International Company may, within ninety (90) days after the end of the second, or any subsequent twelve months' period of this agreement, terminate the same if it so elects, by giving written notice to the Lessee to that effect, unless the minimum royalty herein provided for shall be paid by the Lessee to the International Company in accordance with Section 8 hereof for such twelve months' period then ended. The exercise by the International Company of its election to so terminate this agreement in such event shall be in lieu of any other remedies given by law for failure to pay the minimum royalty above provided, which remedies the International Company retains, however, in the event that it does not exercise such option to terminate.

Such termination shall take place ninety (90) days after the receipt of such notice from the International Company [fol. 14814] to the Lessee, provided, however, that the Lessee may at any time within said period of ninety days, avoid such termination on that account by paying to the International Company the amount necessary, in addition to any royalties theretofore paid in respect of such twelve months' period, to make up the minimum total amount required for the twelve months' period then ended, as above stated.

If, at any time, the Lessee shall be in default in the performance of any of its obligations to make payments hereunder, the International Company may, at its option, terminate this agreement by ninety (90) days written notice to the Lessee to that effect, unless such default shall have been removed and all sums due hereunder to the International Company at the date of such notice shall have been paid with interest at the rate of six (6%) per cent per annum within said period of ninety days. If the Lessee

shall at any time become bankrupt or insolvent, the International Company may, by written notice to the Lessee, terminate this agreement forthwith.

* * * * * * *

"SCHEDULE A"

Territory Covered

Part 1. General Description of Territory:

The territory covered by this agreement includes all lands and islands between West Longitude 30 and West Longitude 170 including the Americas (excepting, however, the Continental United States, Alaska and Hawaii), the whole of Greenland and all the Aleutian Islands and shall comprise in addition the Philippine Islands, the Chinese Republic (including Manchuria and all islands whether in Chinese or foreign possession lying in such relation to the coast of China as to be geographically and commercially part of the Chinese territory (such as Hong Kong) the Japanese Empire (including Formosa and all Islands whether in Japanese or foreign possession lying in such relation to the Japanese Empire as to be geographically and commercially a part of the Japanese territory) Annam, Cochin China, Tongking, Cambodia, and Corea.

* * * * * * *

This contract, dated May 1, 1925, between International Western Electric Company and Victor Talking Machine [fol. 14815] Company (called lessee), in addition to the portions printed in full above, contains, in substance, the following provisions:

Section 1 printed in full above. In section 2, International agrees to give lessee full instructions regarding the use of the equipment furnished and to advise the lessee further from time to time of all improvements of the Western Electric Company relating to methods, systems or apparatus for the electrical recording of sound. International also agrees to furnish lessee the services of competent engineers to give technical information, advice and assistance to lessee, but at the expense of lessee (pp. 3, 4).

Section 3. International agrees to furnish lessee from time to time additional apparatus, equipment or material,

as follows: Additional complete equipment described in schedule B, or supplemental or replacing equipment or equipment necessary to make available improvements in the methods and systems; all such additional equipment to be subject to the terms of this contract (pp. 4 and 5).

Section 4. In addition to the portion of this section quoted in full above, certain relief is granted lessee in case the use of the systems or apparatus be prevented by injunction. It is specifically provided that this section shall not apply to infringements or claims of infringement relating to phonograph records themselves, except in so far as Western's methods or systems are involved therein (pp. 5-10).

Section 5. The obligations of International do not relate to any methods, processes, apparatus or material for the manufacture of commercial records from master records, but only to those methods, systems and apparatus employed for receiving, transmitting and recording sound upon master records from which commercial records may be manufactured (p. 10).

Section 6. Rights granted to lessee are non-exclusive and do not include the use of any apparatus or equipment in connection with motion pictures, but are limited to the production and sale of phonograph records for the same general purposes as the commercial records heretofore produced by lessee. International shall not, during the term of the contract, grant to others in the territory described, rights similar to those granted lessee, but International reserves the right to sell for other purposes the equipment or [fol. 14816] apparatus involved in the use of Western's methods or systems for the electrical recording of sound. Lessee agrees to promote sales in the territory licensed (p. 11).

Section 7 provides for the marking of records and that the license granted is for the exclusive use of lessee and its associated and subsidiary companies (pp. 11-13). Section 8. After the provisions of this section quoted in full above, there follows agreement of lessee to furnish statements disclosing the amount of royalties payable and Western is granted the right to audit lessee's books relating to such sales (pp. 15-16).

Section 9 quoted in full above. Section 10 requires records to bear notices as directed by International and grants lessee the right to use name of International on the labels (pp. 17-18).

Section 11. Termination of the agreement shall not relieve lessee of its obligation to pay royalties on sales of records already manufactured under the terms of the contract (pp. 18 and 19). Section 12. Title to all apparatus remains in International, but lessee shall keep it in good condition and insure it. Lessee indemnifies International for use or misuse of such apparatus (p. 19). Section 13. All apparatus to be returned to International on expiration of contract (pp. 19 and 20). Section 14 limits liability in case of loss caused by strikes, etc. (pp. 20 and 21). Section 15 gives addresses for notices. Section 16 provides that contract shall be construed according to the laws of New York. Section 17 provides for arbitration. Section 18 provides that agreement, unless otherwise terminated, shall continue in force to June 30, 1925 and thereafter until terminated by six months' written notice from either party. Section 19. Rights granted from Empire of Japan shall not become effective unless and until International shall secure the consent of its allied company operating in said empire. Section 20. There shall be no duplication of royalties. Schedule A, Part 1, is a general description of the territory, which includes all lands and islands between West Longitude 30 and West Longitude 170, including the Americas, except the Continent of the United States, Alaska and Hawaii (p. 25). Schedule B is a list of apparatus comprising the complete electrical sound recording equipment referred to in the contract (p. 26).

[fol. 14817] EXHIBIT X-388

Memorandum of Agreement Between Victor Phonograph Company and Electrical Research Products, Inc.

1. Products grants to Victor a non-exclusive, non-assignable license to record and to make, use, sell and lease disc records for use in the commercial field, including cued records, specially arranged records and synchronized records for use in motion picture theatres equipped with apparatus supplied by Products.

2. Products undertakes to actively distribute its apparatus in theatres and to the extent that it may legally do so, will restrict the use of records with such apparatus to the

reproduction of records made and supplied for the purpose by its licensees.

3. Products will extend to Victor to the extent it may be able all rights and licenses it holds from music publishers or composers upon the same terms and conditions as they may be extended to its other producing licensees and Victor agrees to avail itself of such present rights and licenses upon those terms and of such future rights as may be obtained with Victor's consent.

4. Products will purchase from Victor and Victor will supply to Products upon fair and reasonable terms such portions of the apparatus to be supplied to theatres as they may mutually agree upon from time to time, it being the intent that Products shall obtain from Victor those parts that Victor may be in position to manufacture to better advantage than Products and its associated companies.

5. Victor agrees within a reasonable time, as the business develops, to put itself in a position to supply to theatres equipped with apparatus supplied by Products records for use on such apparatus including cued records, especially arranged records and synchronized records, and Victor shall confine the distribution of such records, when for use in theatres or places where motion pictures are regularly shown, to exhibitors licensed by Products.

6. Products agrees to lease to Victor on fair and reasonable terms such electrical recording apparatus as Victor may require for recording of sound under this agreement. [fol. 14818] 7. Products agrees to supply to Victor services of engineers and technical advice and assistance upon the same conditions and terms as set forth in agreement of Mar. 18, 1925.

8. In fields of commercial entertainment outside of the theatrical field Products will in good faith endeavor to bring about such modifications in its existing contracts and those of its associated companies so that it may extend to Victor licenses under its patents to make, use, sell or lease apparatus for the electric reproduction of sound by means of self-contained instruments designed to distribute sound in the immediate vicinity of the instrument, reserving, however, all rights in respect to apparatus designed to distribute sounds from points distinctly separated from the

turntable and connected thereto by systems involving the use of what is known as wire telephony. This reservation shall not be construed to apply unreasonably to apparatus of the same general character as the present auditorium model, distributed by the Victor Company, where because of the size of the sound radiator or because, for architectural reasons or convenience in installation or operation, it is desired to make a special installation of the sound radiator or multiple sound radiators in different public rooms, it may not be practicable to include it in the cabinet with the turntable, amplifier and pick-up apparatus.

9. Products grants to Victor, without consideration other than this agreement, non-exclusive, non-assignable licenses under its patents and agrees to supply upon the same conditions and terms as set forth in the agreement of March 18, 1925 such technical information and assistance as it may be able to supply for use by Victor in the manufacture of records and in the design and manufacture of apparatus for the reproduction of sound, except as otherwise limited herein. No rights, however, are granted with respect to electric phonographs for use in the home for entertainment or educational purposes.

10. Products agrees to assist Victor in the establishment of research and experimental facilities and will to that end give such technical advice and will supply on fair and reasonable terms such apparatus as it may be in a position to supply from time to time to Victor. Apparatus so supplied [fol. 14819] to Victor shall be for the sole use of Victor and its associated and subsidiary companies.

11. Victor will disclose to Products freely any information and methods or apparatus arising out of the arrangement set forth in the preceding paragraphs; and Victor grants to Products without other consideration than this agreement licenses under any patents or rights derived from such activities. Licenses so granted shall be for use by Products without restriction as to field and shall include non-exclusive rights to sub-license others except other companies competitive with Victor in the home phonograph field.

12. Victor now holds contracts with artists and performers of national and international repute by which it may

legally restrict such artists from engaging in recording for others. In consideration of this agreement Victor agrees to execute waivers of the restrictive clauses with respect to artists in favor of Products and its licensees, except that such artists shall not be made available for the production of commercial phonograph records.

13. Products agrees that in its present contracts and in future contracts made by it or its duly accredited licensees with similar performers or artists, it and they will waive/omit the restrictive clause in favor of or as they may apply to Victor. Should any licensee refuse to waive for Victor's purposes, Victor to have privilege of refusing to waive for such licensee.

14. The parties agree that either may enter into contracts with artists by which the artists may legally be restricted from engaging in similar work for others except and other than the parties hereto, their licensees or companies owned or controlled by them.

15. The license granted for synchronized records shall be without restriction as to producers where the records so made are distributed by Victor or its agents and not by the producer making the motion picture. No rights, however, are granted to Victor for making synchronized records for motion picture producers when the sale or lease of the records to exhibitors is to be done by the Producer and the proceeds thereof retained for the producer's benefit unless such producer shall hold a license from Products.

[fol. 14820] 16. Victor shall, in order to obtain the greatest revenue from the sale or lease of records, adopt such practices with regard to methods of distribution and fix such charges for such records as may be designed to produce the greatest gross revenue and as may be consistent with competitive conditions which obtain from time to time.

17. Victor shall pay to Products, as royalty, 8% of the gross revenues derived from the following:

a. Synchronized records,
b. Specially cued records,
c. Records supplied to theatres for general music purposes,

provided that in the case of synchronized records Victor shall adopt such distribution policies that Products shall

receive 8% of the amount paid by exhibitors for such records whether directly distributed by Victor or otherwise. In case such records are distributed by the producer of the motion picture the 8% of the revenue derived from exhibitors to be paid to Products shall be in addition to the 8% paid by Victor on its direct revenues. It is understood that it is the intention of Victor to so arrange its distribution of records for general theatre use that it can determine the amount of revenue derived therefrom.

Ordinary commercial records sold for commercial entertainment purposes shall for royalty purposes only be considered as being recorded under the agreement of March 18, 1925.

Royalty payable for rights and licenses for the manufacture, use, sale or lease of electrical reproducing apparatus for use in the commercial entertainment field shall be 8% of Victor's gross revenue derived therefrom when such apparatus is sold through the usual distribution channels, and shall be 8% of 60% of the selling price when sold direct by Victor to the customer.

18. The minimum royalty shall be $100,000 per year.

19. If licenses of substantially the same character as those granted by this agreement shall be granted to others upon lower rates of royalty or lower minimum royalty, such lower rates shall be extended to Victor.

[fols. 14821-14842] 20. Victor expressly states that it is its intention to actively exploit to the fullest degree commercially feasible the rights and licenses granted by this agreement subject to Victor's existing obligations to the R. C. A.

21. The licenses granted shall be for the United States and its territories and possessions including Alaska, Hawaii, Philippine Islands, Virgin Islands, Porto Rico, Guam, American Samoa and Panama Canal Zone.

22. This agreement shall become effective as of the date hereof and shall continue in force until the 10th day of January, 1938, and thereafter until terminated by either party by giving to the other two years' written notice thereof (expiring on the last day of a calendar year) of

intention to terminate the same, and upon expiration of the time limited by such notice this agreement shall terminate.

January 11, 1928.

(O. K., with definition contained in your letter Jan. 11, 1928, Victor letter dated Jan. 11, 1928. (Sd.) E. E. S. J. E. O.)

[fol. 14843] EXTRACTS FROM EXHIBIT X-393

Agreement made this 10th day of August, 1927, between Electrical Research Products Inc., a Delaware corporation, party of the first part, hereinafter called the Products Company, and The Gramophone Company, Limited, an English joint stock company of Hayes, Middlesex, party of the second part, hereinafter called the Gramophone Company:

• • • • • • •

Whereas, heretofore the Western Electric Company, Incorporated, a corporation of New York, hereinafter called the Western Company, and the Gramophone Company en- [fol. 14844] tered into a certain agreement in writing dated the 19th day of January, 1926 (hereinafter referred to as the principal agreement), wherein and whereby the Western Company granted to the Gramophone Company certain rights and licenses with respect to acoustic apparatus;

• • • • • • •

Article II

Licenses to the Gramophone Company

1. The licenses herein granted and agreed to be granted by the Products Company are under all patents or like privileges in any part of said territory and applications for patents or like privileges in any part of said territory for inventions or improvements (whether machines, processes or compositions of matter) relating or applicable to mechanical or electrical talking machines or parts thereof which are now or which may during the continuance of this agreement be owned or controlled by the Products Company or in respect of which it now has or during the continuance of this agreement may acquire the right to grant such

licenses, specifically including all of the patents and applications specified or referred to in the Schedule hereto. Patents, applications for patents and like privileges in said territory for inventions relating or applicable to machines, processes or compositions of matter adapted and intended to be used for the manufacture of mechanical or electrical talking machines (as distinguished from those relating to the talking machines themselves) are also included in said licenses so far as the Products Company has acquired the same subsequent to October 1, 1925, or shall hereafter acquire the same, and only for use in such manufacture of mechanical or electrical talking machines and not generally. If any patents or patent applications for any inventions which are not applicable to mechanical or electrical talking machines shall have been included in said Schedule, it shall be deemed an inadvertence and shall not enlarge the rights of the Gramophone Company hereunder; nor shall the omission from said Schedule of any of the patents, applications for patents or like privileges, referred to in this section, affect the rights of the Gramophone Company thereunder.

. . . . . .

[fol. 14845] Article IV

Royalties to be Paid by the Gramophone Company and/or Its Subsidiary and Associated Companies

1. The Gramophone Company agrees for itself and its subsidiary or associated Companies, subject to the provisions hereof, to pay or cause to be paid to the Products Company as compensation for the licenses herein granted and agreed to be granted and for the obligations it has herein undertaken, including the technical information and assistance to be rendered by the Products Company hereunder, a royalty as hereinafter specified upon the total sales of all talking machines and parts thereof embodying any of the inventions or improvements herein licensed or agreed to be licensed to the Gramophone Company which have been or which shall hereafter be sold, leased or put into commercial use by the Gramophone Company and/or its subsidiary or associated Companies, and/or by its sublicensees, where such talking machines and/or parts at the time and place of either the manufacture, use or sale

thereof are covered by any patent or similar protection then in force, or any application for patent or similar protection then pending under which the Products Company herein licenses or agrees to license the Gramophone Company. Talking machines and/or parts manufactured under said licenses in any country where the same are covered by any of said patents or applications then in force shall be subject to royalty even though not protected in the country of sale or use, and similarly talking machines and/or parts sold or put into commercial use in a country where the same are covered by any of said patents or applications shall be subject to royalty even though manufactured in a country where such protection does not exist; the intent of this agreement being that royalty shall be paid in all cases where any of the license rights of manufacture, use or sale herein granted and agreed to be granted to the Gramophone Company are or were exercised by it or by its subsidiary or associated Companies or its sub-licensees, such royalty to be based upon the sales price (as hereinafter defined) or other compensation received by the Gramophone Company or its subsidiary or associated Companies or its sub-licensees for the apparatus covered by such [fol. 14846] license rights. Said royalty shall (except as hereinafter expressly provided) be based upon the aggregated total sales of such talking machines and/or parts thereof, as above mentioned, during each "royalty period" during the continuance hereof (the first royalty period being from the date of the first sales thereof by them to and including December 31, 1928, and each succeeding twelve months' period of the continuance of this agreement being a royalty period). Provided that any such apparatus or talking machines embodying such apparatus made in one portion of the said territory and exported to another such portion to a subsidiary or associated Company of the Gramophone Company is not for the purposes of this agreement to be deemed as sold, leased or put into commercial use unless and until the same is in fact so sold, leased or put into such use by such subsidiary or associated Company. In cases of sales of combinations of acoustic reproducing and/or acoustic amplifying apparatus with electrical reproducing apparatus, the royalty hereby provided to be paid by the Gramophone Company to the Products Company shall be paid as provided herein upon the sales of such

combinations in lieu of the royalty which would be payable by the Gramophone Company to the Products Company on the acoustic part or parts of such combinations, pursuant to the provisions of Section 1 of Article IV of the principal agreement.

The expression "total sales" as used herein means the total amount calculated on the principles in this Article IV mentioned realized by the Gramophone Company and its subsidiary or associated Companies, including any sublicensees aggregated during each royalty period as the sales price, rental or other compensation for said apparatus so sold, leased or put into commercial use by them hereunder. The expression "sales price" as used herein means in the case of wholesale sales the actual wholesale price, and in the case of sales made at retail prices by the Gramophone Company or its subsidiary or associated Companies the wholesale price to dealers ruling at the time in the country where such retail sale is made, or if there be more than one such wholesale price the higher or highest of such prices. In any country where there shall be no such wholesale price, the sales price shall be deemed to be the retail price less forty per cent (40%) thereof.

[fol. 14847] In order to arrive from time to time at the amount of such total sales and of the royalty in respect thereof payable to the Products Company as aforesaid, the following provisions shall have effect, that is to say: where sales (including leasing and putting into commercial use) are effected in any currency, other than sterling, the total amount of such last mentioned sales during the three calendar months' period mentioned in Section 10 of this Article shall, in the first place, be converted into Sterling at the rate of exchange to be arrived at by taking the average of the mean quotations for such exchange as given in The Times newspaper, London, England, for the last business day of each month of the period. The amount of the Sterling as so ascertained shall then be added to the total amount of the sales effected in Sterling during the same period. The grand total as so ascertained shall then be converted into Dollars at the mean rate of the New York exchange as given in The Times for the last business day of such period. The Dollars, as so converted, shall be the dollar value of such sales on which royalty payable to the Products Company is to be calculated as aforesaid.

The said royalty shall be (a) a minimum royalty such that after all deductions for taxes or otherwise (other than British Income Tax imposed in respect of the amount of the Royalty) which the Gramophone Company would but for this provision be entitled for any cause to make, the Products Company shall receive a minimum amount of $15,000 for the first royalty period from the date hereof to the 31st December, 1928, and thereafter of $10,000 per year less British Income Tax as aforesaid and (b) an additional royalty calculated at such a rate that the Products Company shall receive a net amount, less British Income Tax, equal to 5 per cent of the said "total sales" during the first royalty period in excess of $300,000, and thereafter of the said "total sales" in excess of $200,000 per annum, and (c) such an additional sum as shall be equal to one-half of the amount so deducted for British Income Tax as aforesaid upon the said royalties.

2. The Gramophone Company agrees to exercise all reasonable and proper diligence to exploit and further the sale of apparatus pursuant to the licenses granted hereunder, to the end that such sales shall reach appreciable proportions as soon after the execution hereof as may be [fol. 14848] reasonably possible. The Gramophone Company, however, agrees to pay to the Products Company on or before December 1, 1927, the said sum of Fifteen Thousand Dollars ($15,000) for the period from the date hereof to and including December 31, 1928, and for each calendar year thereafter during the term of this agreement on or before the 1st day of January of such year the said minimum sum of Ten Thousand Dollars ($10,000), (and pro rata for any fraction of such year), which payments shall be applied pro tanto in discharge of the royalties payable for said periods respectively under Section 1 of this Article IV hereof. The provisions of the last paragraph of Section 1 of this Article with regard to British Income Tax shall also apply to the payments in this Section 2 mentioned.

* * * * * * *

1. This agreement shall continue in force so long as the principal agreement is in effect and shall terminate whenever the principal agreement is terminated.

This contract, in addition to the portions quoted in full above, contained provisions in substance as follows:

A recital of assignment of contract with Western Electric Company of January 19, 1926, to Electrical Research Products on January 3, 1927. Further recital that Gramophone Company desires to acquire licenses with respect to the reproduction of sound under the inventions or improvements of the Products Company (p. 2).

Article I provides that the Products Company furnish certain engineering and technical information and assistance, certain specifications and samples of each electrical talking machine part of each of Products' present preferred types, and such specifications and models of further electrical talking machines, as Products might thereafter produce or acquire. It further provides that Products will assist Gramophone Company in its manufacturing processes (pp. 2-5).

Section 1 of Article II printed in full above. Section 2 recognizes that the inventions of some of said patents and applications may be applicable to other apparatus than that which Gramophone is licensed to make and that said licenses do not cover all embodiments of said inventions but [fol. 14849] are limited to the particular ones for which said licenses are expressed as granted. Section 3 provides that no rights are granted or agreed to be granted to Gramophone with respect to (a) reproduction of sound from other than stylus operating talking machine records; (b) for talking motion pictures; (c) for apparatus in theatres or other places where motion pictures are regularly publicly shown; (d) in combination with or use as a Public Address System; (e) for other than entertainment or educational purposes; or (f) in combination or use with radio receiving apparatus or parts. Section 4 provides that with these exceptions it is granted Gramophone in the territory described any and all patents and applications referred to in section 1 of Article II, as follows: (a) to make, use and sell for entertainment or educational purposes, devices or parts for the electrical reproduction of sound from stylus operating commercial talking machine records; and (b) to make mechanical talking machines or acoustic parts thereof for assembly for use for entertainment and social purposes in combination with devices or parts thereof for the electrical reproduction of sound from stylus operating

commercial talking machine records. Section 5. Licenses granted to Gramophone, so far as Products has right to do so, are exclusive, and to the extent that they cannot grant exclusive licenses, they are non-exclusive. So far as exclusive, they shall not preclude exploitation by Products of devices or parts for electrical reproduction of sound in combination with apparatus for projection of motion pictures. Section 6 gives right to Gramophone to grant sub-licenses (pp. 5-9).

Article III

Licenses to the Products Company

1. The Gramophone Company hereby grants and agrees to grant to the Products Company (so far as and to the extent that the Gramophone Company has or may for the time being have any right and power in view of its existing and/or future rights and power and/or contractual obligations so to do) non exclusive licenses in the said territory under all patents applications for patents and inventions relating or applicable to electrical talking machines which the Gramophone Company now or hereafter during the continuance of this Agreement shall own or control or in [fol. 14850] respect of which it has or during the continuance of this Agreement shall acquire the right to grant such licenses to make and cause to be made and to use lease and sell apparatus systems and devices embodying any or all such inventions but only for uses and purposes and in fields which are non-competitive with the respective businesses as heretofore carried on by the Gramophone Company and/or its subsidiary and associated Companies. The said licenses are to be free from royalty and assignable by the Products Company only to its successors in business or to any Corporation directly or indirectly controlling or controlled by the Products Company.

2. If the Gramophone Company now or during the continuance of this agreement beneficially owns or controls patent rights in any countries outside the said territory for improvements in or applicable to electrical Talking Machines (excluding in any case the Lumiere Loud Speaker) and is freed by third parties entitled, as it considers and contends, to the preferential right to acquire such patent rights exclusively, the Gramophone Company will upon written request and at the expense of the Products Com-

pany at any time during the continuance of this agreement to the extent, if any, that the Gramophone Company may, having regard to what is hereinbefore stated, consider it has the right so to do but not further or otherwise, grant to the Products Company non-exclusive licenses under any such patents, to manufacture, use, lease and sell apparatus systems and devices embodying any or all of such inventions but only for uses and purposes and in fields which are non-competitive with the respective businesses as heretofore carried on by the Victor Talking Machine Company of Camden, New Jersey, U. S. A., and/or its associated and subsidiary Companies. Said licenses if granted shall be free of royalty or other consideration than this agreement and for the period of the continuance of this agreement if such patent rights shall so long subsist, and shall be assignable only to the successors in business of the Products Company and the Products Company or its said successors shall have the right to sub-license the Western Company and/or its successors in business thereunder. It is to be understood that the Gramophone Company considers it is not now in a position to grant any such license. [fol. 14851] Sections 1 and 2 of Article IV printed in full above. Section 3 provides Products may terminate contract if amount of royalty for any year after 1928 does not equal $10,000, or if Gramophone does not sell, lease or put into commercial use apparatus exclusively licensed to it to an amount in the aggregate at least equal to 60% of the total dollar sales in the field exclusively licensed. Sections 4, 5 and 6 provide that royalties do not apply on certain apparatus specified. Section 7 covers the situation resulting from injunctions preventing Gramophone from using patents licensed and for termination thereof in such case at the election of Gramophone. Section 8 provides for records and audits of records to be kept by Gramophone (pp. 11-18).

Article V provides for termination in case of default (p. 19).

Article VI gives certain rights to the Gramophone Company in case patents exclusively licensed to it are not protected by Products (pp. 20-22).

Article VII provides for the marking of apparatus (pp. 22, 23).

Article VIII contains certain warranties by Products Company (pp. 23, 24).

Article IX relieves each party in contingency of strikes, riots, fires, insurrection, war, etc. (p. 24).

Article X pertains to notices.

Article XI provides for arbitration (pp. 25, 26).

Section 1 of Article XII is printed in full above.

Pages 27-40 contain schedule of patents referred to in Article II.

EXTRACTS FROM EXHIBIT X-394

Agreement for Western Electric Sound System, Plan B2-N. D. P.-52W between Electrical Research Products, Inc. (subsidiary of Western Electric Company, etc. (Form 315TS).

• • • • • • •

16. Products agrees that subject to the provisions hereof it will at its own expense defend any and all actions and suits which may during the term hereof be brought against the Exhibitor for infringement of any United States patent or patents relating to the apparatus or equipment furnished by Products hereunder, on account of any use of [fol. 14852] said apparatus or equipment by the Exhibitor for the purpose and in the manner contemplated by this agreement and Products will pay or satisfy all judgments and decrees for profits, damages and/or costs which may be finally awarded against the Exhibitor by the Court of last resort in any such action or suit on account of any such infringement, provided that the Exhibitor shall give Products prompt notice (with written confirmation) of such action or suit, full information and all reasonable cooperation in connection therewith and full opportunity to defend the same, and provided, further, that this agreement shall not extend to any infringement or claim of infringement on account of the use of any of said equipment in combination with any apparatus or thing not furnished by Products, except films and records produced under licenses from Products where the alleged infringement resides in characteristics thereof or in methods or apparatus for producing the same specifically prescribed by Products and that the liability of Products under this agreement shall

in no case exceed the total amount paid hereunder by the Exhibitor to Products. To the end that Products may protect itself and the Exhibitor from claims for infringement of patents, it is agreed that Products may at any time substitute for any of the equipment or parts thereof which may have been furnished to the Exhibitor hereunder, other equipment or parts which Products shall determine to be suitable for performing the function required, such substitution to be made without additional expense to the Exhibitor and with the least possible inconvenience to it or interruption of its business.

[fol. 14853] EXHIBIT X-397

American Telephone and Telegraph Company

I hereby certify that the following is a true and correct copy of a resolution adopted by the Executive Committee of the American Telephone and Telegraph Company at a meeting held January 15, 1924:

Resolved, that of the surplus earnings for 1923 amounting to approximately $18,500,000, there be transferred to Reserve for Contingencies, $3,000,000 as of December 31, 1923.

A. A. Marsters, Secretary. (Seal.)

American Telephone and Telegraph Company

I hereby certify that the following is a true and correct copy of a resolution adopted by the Executive Committee of the American Telephone and Telegraph Company at a meeting held January 7, 1925:

Resolved, that of the surplus earnings for 1924 amounting to approximately $19,000,000 there be transferred to reserve for contingencies, $6,000,000 as of December 31, 1924.

A. A. Marsters, Secretary. (Seal.)

American Telephone and Telegraph Company

I hereby certify that the following is a true and correct copy of a resolution adopted by the Executive Committee

[fol. 14854] of the American Telephone and Telegraph Company at a meeting held January 13, 1926:

Resolved, that of the surplus earnings for 1925 amounting to approximately $26,438,000, there be transferred to reserve for contingencies, $6,000,000 as of December 31, 1925.

A. A. Marsters, Secretary. (Seal.)

American Telephone and Telegraph Company

I hereby certify that the following is a true and correct copy of a resolution adopted by the Executive Committee of the American Telephone and Telegraph Company at a meeting held January 12, 1927:

Resolved, that of the surplus earnings for 1926 amounting to approximately $30,500,000, there be transferred to Reserve for Contingencies, $4,000,000 as of December 31, 1926.

A. A. Marsters, Secretary. (Seal.)

American Telephone and Telegraph Company

I hereby certify that the following is a true and correct copy of a resolution adopted by the Executive Committee of the American Telephone and Telegraph Company at a meeting held January 18, 1928:

Resolved, that the telephones carried on the books of the General Department having been sold, there be transferred as of December 31, 1927, from Reserve for Accrued Depreciation to Reserve for Contingencies the balance (approximately $14,400,000) remaining in Reserve for Accrued Depreciation with respect to telephones.

A. A. Marsters, Secretary. (Seal.)

EXHIBIT X-398

Electrical Research Products, Inc., General Auditing Dept. Condensed Summary of Results of Talking Motion Picture Business for the year 1929 compared with Budget for the year 1930.

[fol. 14855] Same; Results for year 1928 compared with Budget of 1929.

Profits on Sales of Sound Picture Equipment as Published for the years 1926 to 1930, Inc.

Combined Results of Western Electric Co., Inc., Electrical Research Products, Inc., and its Subsidiaries on Talking Motion Picture Business years 1926 to 1931.

Results on Talking Motion Picture Business 1926-1931 Foreign Subsidiaries—Gross Revenue.

Condensed Summary of Results for year 1927.

Summary of Results by Classes of Business—Twelve Months of 1930.

Same for 1931.

(These documents were furnished by plaintiff to defendants June 14, 1932, together with following statement of June 15, 1932:

"The main items of investment involved are plant at face value, merchandise, receivables and cash, less current accounts payable, in the Western Electric Company and in the Electrical Research Products, Inc., in this country and abroad.

Western Electric Company

The method of determining the amount of plant and merchandise investment devoted to sound picture business is in general by the use of standard shop costs. In this computation, however, there is excluded plant and merchandise investment of the Installation Department, Merchandise Department and distributing houses practically none of which is involved in the sound picture business.

The investment in receivables is determined definitely on the basis of the investment actually on the books in these receivables.

Cash and payables applicable to sound picture business are determined by the use in general of standard shop costs.

Electrical Research Products, Inc., Domestic

The apportionment of the elements of investment to sound picture business involves the fact that in 1927, 1928 and 1929, two separate sets of books were maintained as follows:

At 57th Street, Covering local operations.

[fol. 14856] At 195 Broadway, Covering general operations.

For 1930 and 1931 these books were merged and maintained at 57th Street. The apportionment was made as follows:

Plant: Practically 100% sound picture business.

Merchandise: All sound picture business at Western Shop cost less depreciation.

Receivables: As shown by the books with respect to Accounts with exhibitors and producers and with others in connection with non-theatrical sound picture business.

Cash: For 1927, 1928 and 1929, all cash on the 57th Street books plus practically all cash on the 195 Broadway books; for 1930 and 1931 approximately 90% of the total cash.

Payables: For 1927, 1928 and 1929, all payables on the 57th Street books for 1930 and 1931 apportioned between sound picture business and other business on the basis of volume. Payables include the reserve for royalties to be returned to the Vitaphone Corporation.

Electrical Research Products, Inc., Foreign

All investment in the foreign companies was with respect to sound picture business and represents capital stock plus the open account as carried on the Electrical Research Products Inc. domestic books plus surplus on the foreign subsidiary company books."

Exhibit X-398

Electrical Research Products, Inc., General Auditing Department

Page 3

Monthly Report No. 1

Condensed Summary of Results of Talking Motion Picture Business for the Year 1929 Compared with Budget for the Year 1930

(Expressed in Thousands of Dollars)

	a	b	c	
Assets and Liabilities:	Budget Dec. 31, 1930	Dec. 31, 1929	Increase (a—b)	
1. Plant	$1,000	690	$310	1
2. Merchandise	7,800	6,913	887	2
3. Bills Receivable	1,000	2,131	(1,131)	3
4. Accounts Receivable	24,900	13,131	11,769	4
5. Cash	200	287	(87)	5
Total Assets	34,900	23,152	11,748	6
7. Company Investment	28,151	17,852	10,299	7
[fol. 14857]				
8. Advances on Exhibitors' Contracts	600	262	338	8
9. Current Liabilities—Western Electric Co., Inc.	2,500	2,489	11	9
10. Other	900	520	380	10

Exhibit X-396—Continued

		a Budget Dec. 31, 1930	b Dec. 31, 1929	c Increase (a—b)	
	Assets and Liabilities:				
11.	Reserves for Depreciation of Plant	1,000	519	481	11
12.	Depreciation on Receivables	518	379	139	12
13.	Contingencies	1,231	1,131	100	13
14.	Total Liabilities	34,900	23,152	11,748	14

		d Budget 1930	e 1929	f Increase (d—e)	g Per Cent Increase (f÷e)	
	Revenue:					
	Operating Revenues:					
15.	Equipment License Fees	$30,800	$30,191	$609	2.0	15
16.	Theatre Service Fees	5,200	3,372	1,828	54.2	16
17.	Royalties Received (Gross)	1,770	1,719	51	3.0	17
18.	Royalties Received Foreign (Gross)	450	94	356	378.7	18
19.	Sales (Foreign)	4,000	9,896	(5,896)	(59.6)	19
20.	Total Operating Revenues	42,220	45,272	(3,052)	(6.7)	20
	Gross Income:					
	Gross Margin:					
21.	Equipment License Fees	9,850	9,632	218	2.3	21
22.	Theatre Service Fees	700	585	115	19.7	22
23.	Royalties Received (Net)	800	489	311	63.6	23
24.	Royalties Received Foreign (Net)	300	63	237	376.2	24
25.	Gross Profits—Sales (Foreign)	450	1,324	(874)	(66.0)	25
26.	Interest Received	700	527	173	32.8	26
27.	Total Gross Income	12,800	12,620	180	1.4	27
	Expenses:					
28.	Acoustic Department	5,000	3,092	1,908	61.7	28
29.	General Department	370	247	123	49.8	29
30.	Engineering	2,371	2,393	(22)	(.9)	30
31.	Federal Taxes	607	805	(198)	(24.6)	31
32.	Total Expenses	8,348	6,537	1,811	27.7	32
33.	Net Profit before Reserves	4,452	6,083	(1,631)	(26.8)	33
34.	Reserves	452	0	(452)	.....	34
35.	Net Profit	4,000	6,083	(2,083)	(34.2)	35
36.	Average Investment	24,000	16,396	7,605	46.4	36
	Percentages:					
37.	Relation of Gross Margin to Equipment License Fees	32.0	31.9	.....	.....	37
38.	Relation of Gross Margin to Theatre Service	13.5	17.3	.....	.....	38
39.	Relation of Royalties (Net) to Royalties (Gross)	45.2	28.4	.....	.....	39

Exhibit X-998—Continued

[fol. 14858]

Assets and Liabilities:	a Budget Dec. 31, 1930	b Dec. 31, 1929	c Increase (a—b)	
40. Relation of Royalties Foreign (Net) to Royalties Foreign (Gross)	66.7	66.7	.....	40
41. Relation of Gross Profits to Sales (Foreign)	11.3	13.4	.....	41
Relation of Expense to Gross Income:				
42. Acoustic Department	39.1	24.5	.....	42
43. General Department	2.9	2.0	.....	43
44. Engineering	18.5	19.0	.....	44
45. Federal Taxes	4.7	6.3	.....	45
46. Total	65.2	51.8	.....	46
47. Return on Investment	16.7	37.1	.....	47

Budget of General Expense includes $350,000 for Publicity.

Electrical Research Products Inc., General Auditing Department

Page 3

Monthly Report No. 1

Condensed Summary of Results for the Year 1928

Compared with Budget for the Year 1929

(Expressed in Thousands of Dollars)

Acoustic Department

Assets and Liabilities:	a Budget Dec. 31, 1929	b Dec. 31, 1928	c Increase (a—b)	
1. Plant	$450	$203	$247	1
2. Merchandise	5,900	4,476	1,424	2
3. Unliquidated Engineering Expense	0	76	(76)	3
4. Bills Receivable	4,500	2,720	1,780	4
5. Accounts Receivable	17,610	8,357	9,253	5
6. Cash	100	94	6	6
7. Total Assets	28,560	15,926	12,634	7
8. Company Investment	26,710	12,445	14,265	8
9. Advances on Exhibitors Contracts	750	2,419	(1,669)	9
10. Current Liabilities	750	955	(205)	10
11. Reserve for Depreciation of Plant	350	107	243	11
12. Total Liabilities	28,560	15,926	12,634	12

Revenue:	d Budget 1929	e 1928	f Increase (d—e)	g Per Cent Increase (f÷e)	
Operating Revenues:					
13. Equipment License Fees	$41,600	$14,134	$27,466	194.4	13
14. Sales (Foreign)	3,353	475	2,878	606.9	14
15. Theatre Service Fees	3,000	946	2,054	217.1	15

Exhibit X-898—Continued

		d Budget 1929	e 1930	f Increase (d—e)	g Per Cent Increase (f÷e)	
	Revenue:					
16.	Royalties Received (Gross)	940	325	615	189.2	16
17.	Royalties Received Foreign (Gross)	465	0	465	.....	17
18.	Total Operating Revenues	49,358	15,880	33,478	210.8	18
[fol. 14859]	Gross Income:					
	Gross Margin:					
19.	Equipment License Fees	11,230	5,268	5,962	113.2	19
20.	Sales (Foreign)	676	73	603	826.0	20
21.	Theatre Service Fees	600	195	405	207.7	21
22.	Royalties Received (Net)	400	135	265	196.3	22
23.	Royalties Received Foreign (Net)	310	0	310	.....	23
24.	Interest Received	500	133	367	275.9	24
25.	Total Gross Income	13,716	5,804	7,912	136.3	25
	Expenses:					
26.	Acoustic Department	2,738	937	1,801	192.2	26
27.	General Department	150	243	(93)	(38.3)	27
28.	Engineering	2,234	1,400	834	59.6	28
29.	Federal Taxes	1,031	402	629	156.5	29
30.	Total Expenses	6,153	2,982	3,171	106.3	30
31.	Net Profits before Reserves	7,563	2,822	4,741	168.0	31
32.	Reserves	1,433	325	1,108	340.9	32
33.	Net Profit	6,130	2,497	3,633	145.5	33
34.	Average Investment	16,500	4,465	12,035	269.5	34
	Percentages:					
35.	Relation of Gross Margin to Equipment License Fees	27.0	37.3	.....	.....	35
36.	Relation of Gross Margin to Sales (Foreign)	20.2	15.4	.....	.....	36
37.	Relation of Gross Margin to Theatre Service Fees	20.0	20.6	.....	.....	37
38.	Relation of Royalties (Net) to Royalties (Gross)	42.6	41.4	.....	.....	38
39.	Relation of Royalties (Net) to Royalties (Gross) (Foreign)	66.7	.....	.....	.....	39
	Relation of Expense to Gross Income:					
40.	Acoustic Department	20.0	16.2	.....	.....	40
41.	General Department	1.1	4.2	.....	.....	41
42.	Engineering	16.3	24.1	.....	.....	42
43.	Federal Taxes	7.5	6.9	.....	.....	43
44.	Total	44.9	51.4	.....	.....	44
45.	Return on Investment	37.2	55.9	.....	.....	45

Date Issued, February 11, 1929. R. H. Gregory, General Auditor.

EXHIBIT X-398 (CONTINUED)

Western Electric Co.

Profits on Sales of Sound Picture Equipment as Published for the Years 1926 to 1930 Inclusive

(Dollars in Thousands)

	Grand Total			a	b	c	d	e	f	g	h	i	j	k	l				
				1930			1929			1928			1927			1926			
	Total	W. E. Mfg.	Supplies	Total	W. E. Mfg.	Supplies	Total	W. E. Mfg.	Supplies	Total	W. E. Mfg.	Supplies	Total	W. E. Mfg.	Supplies	Total	W. E. Mfg.	Supplies	
Sales	$47,131	$42,351	$4,780	$9,978	$8,935	$1,043	$24,607	$22,329	$2,278	$9,159	$7,994	$1,165	$2,177	$1,983	$194	$1,210	$1,110	$100	1
Gross Profits:																			
Basic Gross Profits	13,475	13,245	230	2,684	2,557	47	6,919	6,811	108	2,519	2,465	54	779	765	14	654	647	7	2
Manufacturing Dept. Surplus	1,946	1,946	0	(430)	(430)	0	1,540	1,540	0	912	912	0	(75)	(75)	0	(1)	(1)	0	3
Effect of Inventory Revaluations and Reserves	(728)	(720)	(8)	(33)	(25)	(8)	(136)	(136)	0	(479)	(479)	0	(50)	(50)	0	(30)	(30)	0	4
Royalties Paid on Restricted Apparatus	(120)	(120)	0	0	0	0	0	0	0	0	0	0	(70)	(70)	0	(50)	(50)	0	5
Total Gross Profits (2 to 5)	14,573	14,351	222	2,141	2,102	39	8,323	8,215	108	2,952	2,898	54	584	570	14	573	566	7	6
Operating Interest	8	8	0	4	4	0	0	0	0	3	3	0	1	1	0	0	0	0	7
Total Income (6+7)	14,581	14,359	222	2,145	2,106	39	8,323	8,215	108	2,955	2,901	54	585	571	14	573	566	7	8
Expenses:																			
Development Expense	3,233	3,233	0	776	776	0	1,397	1,397	0	803	803	0	194	194	0	63	63	0	9
Distribution Expense	2,737	2,544	193	608	535	73	1,232	1,170	62	539	502	37	178	160	18	180	177	3	10
Federal Taxes	1,001	995	6	169	169	0	640	636	4	117	115	2	29	29	.....	46	46	0	11
Total Expenses 9 to 11)	6,971	6,772	199	1,553	1,480	73	3,269	3,203	66	1,459	1,420	39	401	383	18	289	786	3	12
Net Profits (8−12)	7,610	7,587	23	592	626	(34)	5,054	5,012	42	1,496	1,481	15	184	188	(4)	289	280	4	13
Average Investment	6,717	(A)6,540	177	8,322	8,166	156	16,275	16,290	435	6,200	5,990	210	1,712	1,657	55	627	598	29	14
Return on Investment	22.7%	23.2%	2.8%	7.1%	7.7%	(21.8)%	30.2%	30.8%	9.7%	24.1%	24.7%	7.2%	10.7%	11.3%	(7.3)%	45.3%	46.8%	13.8%	15

(A) Average investment for 5 years.

Combined Results of Western Electric Company, Incorporated, Electrical Research Products, Inc., and Its Subsidiaries on Talking Motion Picture Business, Years 1926–1931

(Dollars in Thousands)

	Total	1931	1930	1929	1928	1927	1926
Combined Results:							
Gross Revenue	$132,609	$22,542	$40,381	$50,475	$15,738	$2,263	$1,210
Net Profit	17,947	(1,485)	5,358	11,422	3,400	(1,032)	284
Average Investment	20,628(A)	18,718	41,285	49,527	9,928	3,683	627
Return on Average Investment	14.5	(7.9)	13.0	23.1	34.2	(28.0)	45.3
Western Electric Company, Incorporated:							
Sales	$49,218	$2,067	$9,978	$24,607	$9,159	$2,177	$1,210
Net Profit	7,551	(59)	592	5,054	1,496	184	284
Average Investment	6,008(A)	2,462	8,322	16,725	6,200	1,712	627
Return on Investment	20.9	(2.4)	7.1	30.2	24.1	10.7	45.3
Electrical Research Products Inc., Domestic:							
Gross Revenue	$105,943	$15,241	$27,288	$45,271	$15,880	$2,263	.....
Net Profit	9,278	(389)	1,792	6,136	2,754	(1,015)	.....
Average Investment	11,847(A)	11,182	24,465	29,118	4,244	2,071	.....
Return on Investment	13.1	(3.5)	7.3	21.1	64.9	(49.0)	.....
Foreign Subsidiaries:							
Gross Revenue	$41,076	$8,572	$18,217	$14,131	$156	.....	.....
Net Profit	2,296	(1,980)	2,181	2,130	(35)	.....	.....
Average Investment	3,910(A)	6,723	11,006	5,639	92	.....	.....
Return on Investment	9.8	(29.4)	19.8	37.8	(38.0)	.....	.....
Adjustments to Combine Results:							
Gross Revenue Adjustment for W. E. Co. Material Sales to ERPI and Products Co. Sales to ERPI Foreign Subsidiaries	($63,628)	($3,358)	($15,102)	($33,534)	($9,457)	($2,177)	.....
Profits Adjustment—Writedown of Inventories to W. E. Shop Cost	(1,178)	943	793	(1,898)	(815)	(201)	.....
Investment Adjustment—Reduction to W. E. Shop Cost of Inventories	(1,137)(A)	(1,649)	(2,508)	(1,955)	(608)	(100)	.....

(A) Average Investment for six years.

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EXHIBIT X-398 (CONTINUED)

Results on Talking Motion Picture Business, 1926-1931

Foreign Subsidiaries—Gross Revenue

(Dollars in Thousands)

	Total	1931	1930	1929	1928	
Gross Revenue (per No. 1 Reports):						
London	$21,058.0	$4,245	$9,610.3	$7,047	$155.7	1
S. M. A., Inc.	3,514.1	1,202	1,556.1	756	.....	2
Austria	1,251.3	113	814.3	324	.....	3
Denmark	262.0	33	103 2	125.8	.....	4
Germany	23.3	.....	.....	23.3	.....	5
Holland	172.5	20	110.5	42	.....	6
Italy	604.8	115	213.8	276	.....	7
Near East	592.9	195	298.9	99	.....	8
Poland	423.9	40	297.9	86	.....	9
Roumania	38.0	38	.....	.....	.....	10
Spain	1,222.5	438	654.5	130	.....	11
Sweden	479.2	60	160.8	258.4	.....	12
Switzerland	593.0	82	415.0	96	.....	13
Argentina	678.1	173	257.1	248	.....	14
Brazil	523.2	108	159.2	256	.....	15
Chile	427.4	119	308.4	.....	.....	16
Cuba	997.7	278	376.7	343	.....	17
Mexico	150.3	48	59.3	43	.....	18
Asia	1,045.2	277	634.2	134(A)	.....	19
Australia	5,314.3	691	1,515.3	3,108	.....	20
New Zealand	1,462.4	194	588.4	680	.....	21
Orient	243.2	103	83.5	56.7	.....	22
Total Gross Revenue	41,077.3	8,572	18,217.4	14,132.2	155.7	23
Used	41,076	8,572	18,217	14,131	156	

From 57th Street to J. J. Stuebe by telephone. No No. 1 Report was issued for Asia in 1929.

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Electrical Research Products, Inc.

Acoustic Department

Condensed Summary of Results for the Year 1927

	Assets and Liabilities:	
1.	Plant	$45,238.22
2.	Merchandise	1,343,238.98
3.	Installation in Process	20,257.66
4.	Unliquidated Development Expense	368,652.23
5.	Bills Receivable	998,189.29
6.	Accounts Receivable	472,386.79
7.	Doubtful Receivables	309,283.74
8.	Cash	51,711.63
9.	Total assets	3,608,958.54

EXHIBIT X-398 (CONTINUED)

10.	General Department Investment	2,960,864.03	10
11.	Advances on Exhibitors' Contracts	190,225.00	11
12.	Current Liabilities	69,399.43	12
	Reserves:		
13.	Royalties Returnable to Vitaphone Corporation	21,590.17	13
14.	Depreciation on Plant	18,254.66	14
15.	Depreciation on Doubtful Receivables	169,707.25	15
16.	Reduction of Merchandise Inventory to Fair Market Value	178,918.00	16
17.	Total liabilities	3,608,958.54	17
	Operating Revenues:		
18.	Equipment License Fees	1,854,923.24	18
19.	Theatre Service Fees	311,664.56	19
20.	Royalties Received and Accrued (Gross)	96,193.48	20
21.	Total operating revenues	2,262,781.28	21
	Gross Income:		
22.	Gross Margin—Equipment License Fees	58,762.61	22
23.	Theatre Service Fees	167,529.96	23
24.	Royalties Received and Accrued (Net)	45,985.59	24
25.	Interest Received	41,997.31	25
26.	Total gross income	314,275.47	26
	Expenses:		
27.	Acoustic Department—Bad Accounts	142,361.30	27
28.	Other Expenses	206,541.37	28
29.	General Department Charges	45,000.00	29
30.	Development at Standard Rates	250,643.00	30
31.	Total expenses	644,545.67	31
32.	Net Operating Income	(330,270.20)	32

( ) Indicates negative figure.

Date Issued Feb. 29, 1928.

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EXHIBIT X-398 - Continued

Electrical Research Products Inc.
General Auditing Department

Issued February 8, 1931

(Expressed in Thousands of Dollars)

	Talking Motion Pictures																Sales		Manufacturing Licensees		Investments		Total	
	Western Electric		Recording		Reproducing		Recording		Reproducing		Service		Sound		Royalties									
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget								
Gross Operating Revenue	9,508	7,820	613	1,154	846	775	1,482	1,600	1,687	1,720	5,500	5,500	4,385	5,890	1,116	1,324			83	11	6	7		
Gross Royalties																								
Total Gross Revenue	9,508	9,820	613	1,156	846	775	1,482	1,600	1,687	1,720	5,500	5,500	5,500	5,890	1,116	1,324								
Equipment Cost	4,419	4,605	200	537	307	125	669	656	713	746			4,339	3,955					13	8	3	3		
Operating Cost	2,455	2,521	413	519	66	42	501	484	468	533	4,089	4,180	868	795	67	73								
Fitzhenry Share of Royalties															222	225					3	3		
A. T. & T. Co. Share of Royalties															111	126					1	1		
I.P.E.E.,E.E.C Revis Share of Royalties																								
Total	6,865	7,126	613	1,056	173	171	1,170	1,140	1,181	1,265	4,089	4,180	4,689	4,750	1,398	1,324			13	8	9	9		
Development																								
Bell Laboratories	222	259	14	35	8	10	22	23	24	22			333	337	5				88	101				
A. T. & T. Royalty on Apparatus	120	146	6	19	3	6	19	23	19	24			134	137										
Patent Expense																								
Processing	58	47	4	8	2	2	14	10	15	11			86	57					11	6	2	2		
Carbon																			55					
E.R.P.I.	30	25	2	3	1	1	4	4	3	4			24	21										
Errors in Design	53		2		1		6		7				40											
Experimental Work & Supplies																								
Total Development Expense																								
Total Cost Incl. Development	7,307	7,556	641	1,119	187	190	1,375	1,319	1,348	1,348	4,089	4,180	5,261	5,243	1,393	1,324			112	115	14	14		
Gross Profit on Current Cost	2,201	1,264	(133)	18	56	85	103	281	339	309	1,411	1,320	(57)	(78)	1,523	1,257	5,189		36	(18)	109	116	6,017	5,977
Other Revenue																	655						1,116	1,200
Interest	805	649			3		86								71	11							3,996	3,760
Dividends																							823	823
Miscellaneous																								
Total Gross Income	3,006	1,913	(133)	18	59	85	189	281	339	309	1,411	1,320	(57)	(78)	1,594	1,268	5,844		36	(18)	109	116	5,119	5,119	11,976	11,783
Indirect Expense																								
Administration & General Office	763	788	134	180	32	38	128	148	795	753	357	370	321	318	43	48	3,844		26	27	37	39	716	668	2,993	2,969
Sales																	1,066								1,066	1,093
Field Direct	650	621	145	165	19	15																				
Branch Office Rent & Service	156	160	119	128																						
Promotion (Direct)			185	217																						
Publicity	188	133	85	56																						
General (Direct)	57	67	58	56	4	5																				
Home Office Rent & Service																										
Total Sales Expense	1,051	1,051	592	616	23	20											1,856									
Engineering																								
Direct	138	806	140	149			72	51					46	40	145	146			5	5						
Office Rent & Service	38	36	22	28			6	4					6	5	24	27			1	1						
Charges from E. E. Dept.	35	32	10	11	1	1	28	21	8	8	38	30	38	43	383	352			38	33	37	34	705	676	5,998	6,198
Total General Expense	2,220	2,078	1,149	1,238	55	59	185	276	808	848	395	400	390	406	(498)	1,081	697		(2)	(27)	70	77	4,140	4,101	5,850	5,650
Net Profit Before Reserves and Federal Taxes	786	787	(1,282)	(1,220)	4	26	44	151	115	57	1,119	920	(447)	(484)	16								1,823	1,818	1,823	1,818
Interest Paid	33	33	33	33	3	3	23	23	23	23	6	6	23	23	16								1,323	1,323	1,323	1,323
Net After Interest	753	754	(1,315)	(1,253)	1	23	(26)	93	89	19	1,103	914	(470)	(507)	1,081	697	344		(2)	(27)	70	77	3,346	3,141	4,346	4,141
Federal Taxes																	165								165	157
Net Profit Before Evaluation	753	808	(1,527)	(1,275)	1	23	(26)	93	89	19	1,103	914	(470)	(507)	1,081	697	179		(2)	(27)	70	77	3,346	3,141	4,181	3,984
Cost of Non-Sound Film Allocated Against Sound Film Sales			165	217																						
Export Expense Allocated Against Foreign Dividends																							(1,001)	(1,001)		
Final Net Profit on Domestic Business	753	808	(1,312)	(1,058)	1	23	(26)	93	89	19	1,103	914	0	0	1,081	697			(2)	(27)	70	77	2,345	2,140	4,510	4,309
% of Total Gross Revenue																										
Equipment Cost	46.0	47.0	98.4	46.3	36.3	16.1	36.1	41.0	42.0	43.0			78.9	76.0	12.6	14.9	9.3	8.9							36.1	36.4
Operating Cost	25.6	25.9	146.4	45.0	24.8	16.1	33.8	29.0	25.7	31.4					12.7	11.3			73.1	139.8	2.7	1.6			6.6	6.1
Development Expense	7.9	7.8	8.0	6.9	6.9	6.9	7.6	8.2	7.8	6.5															6.9	6.8
Sales Expense	10.7	10.5	155.4	73.6	3.1	7.3													30.9	38.2	31.4	30.7			20.9	21.2
General Expense	23.0	23.3	271.7	109.0	28.4	21.5	18.5	13.8	16.8	15.4	7.0	7.3	7.2	7.9	17.9	21.7			(1.1)	(25.3)	55.3	84.6			21.2	20.3
Net Profit Before Interest Deductions	9.8	9.7	(326.6)	(88.7)	1.6	9.5	(1.0)	5.4	7.1	2.8	20.1	16.7	.5	.3	35.0	27.4			(1.1)	(25.3)	55.3	84.6			15.8	14.9
Net Profit After Interest Deductions	9.2	8.1	(346.9)	(91.7)	.6	7.6	(1.3)	5.9	5.5	1.1	20.0	16.6	.0	.0	35.0	27.4										

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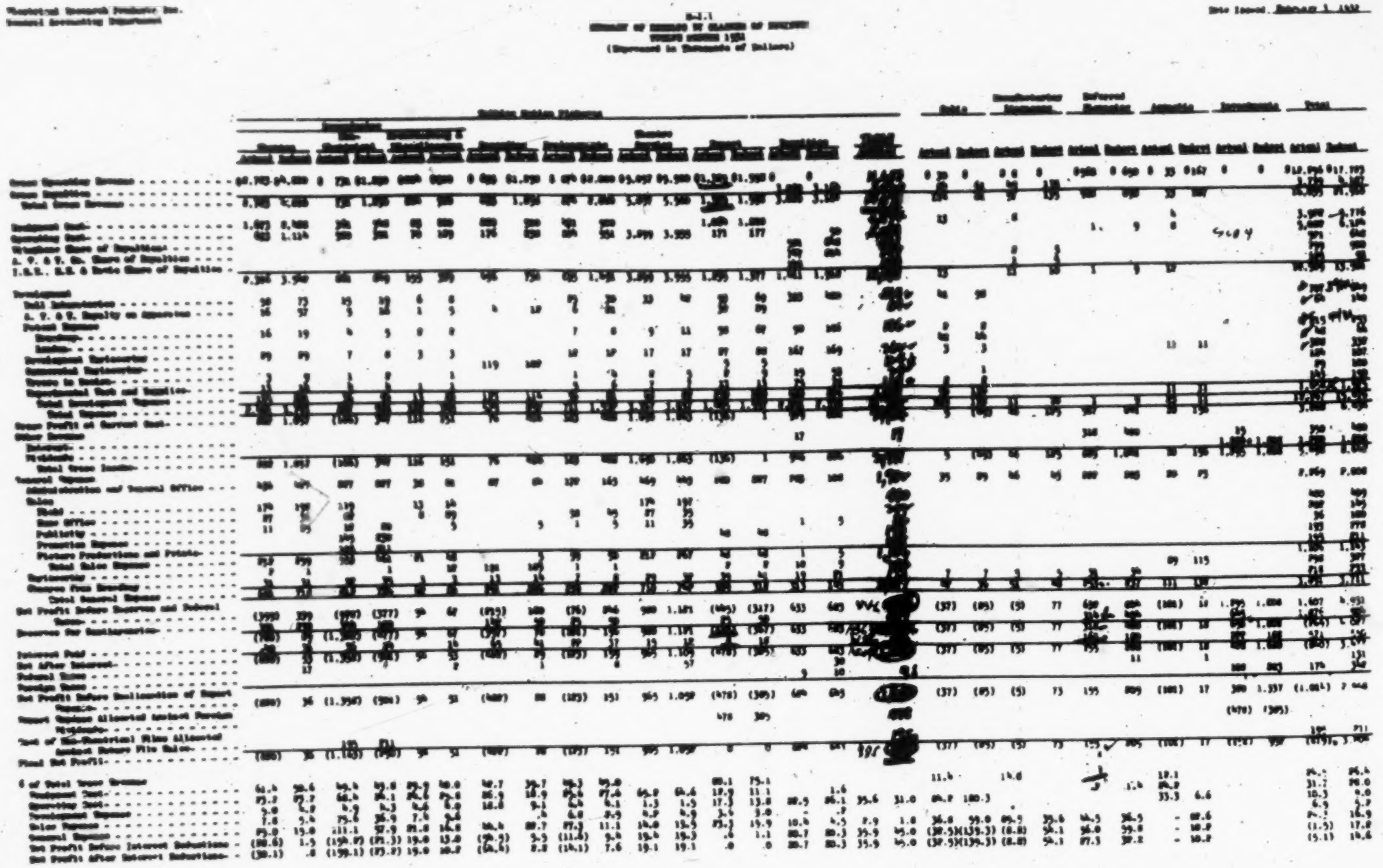
X-398 - Continued



(11) Billing to Foreign Subsidiaries Tax Treatment - U.S. 3-1-32